

**SCHOOL DISTRICT
OF
RUNNEMEDE**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Runnemedede Board of Education

Runnemedede, New Jersey

For the Fiscal Year Ended June 30, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

Runnemede Board of Education

Runnemede, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

Runnemede Board of Education

Finance Department

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE RUNNEMEDE SCHOOL DISTRICT
TABLE OF CONTENTS**

INTRODUCTORY SECTION

<u>Exhibit</u>	<u>Page</u>
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8

FINANCIAL SECTION

Independent Auditor's Report	9-10a
Required Supplementary Information – Part I Management's Discussion and Analysis	11-19

Basic Financial Statements

A. District-wide Financial Statements:	
A-1 Statement of Net Position	20
A-2 Statement of Activities	21
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	22
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	23
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Proprietary Funds:	
B-4 Statement of Net Position	25
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	26
B-6 Statement of Cash Flows	27
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	28
B-8 Statement of Changes in Fiduciary Net Position	29
Notes to the Financial Statements	30-53

Required Supplementary Information – Part II

C. Budgetary Comparison Schedule	
C-1 Budgetary Comparison Schedule – General Fund	54-59
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	N/A
C-1b Education Jobs Fund Program – Budget and Actual	60
C-2 Budgetary Comparison Schedule – Special Revenue Fund	61

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE RUNNEMEDE SCHOOL DISTRICT
TABLE OF CONTENTS**

FINANCIAL SECTION (Continued)

<u>Exhibit</u>	<u>Page</u>
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	62
Other Supplementary Information	
D. School Based Budget Schedules (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	63-64
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	65
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	66
F-2a-c Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	67-69
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Position	70
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	71
G-3 Combining Schedule of Cash Flows	72
Internal Service Fund:	
G-4 Combining Schedule of Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flows	N/A

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE RUNNEMEDE SCHOOL DISTRICT
TABLE OF CONTENTS**

Other Supplementary Information (Continued)

H.	Fiduciary Funds:	
H-1	Combining Statement of Fiduciary Net Position	73
H-2	Combining Statement of Changes in Fiduciary Net Position	74
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	75
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	76
I.	Long-Term Debt:	
I-1	Statement of Serial Bonds	N/A
I-2	Schedule of Obligations under Capital Leases	N/A
I-3	Debt Service Fund Budgetary Comparison Schedule	N/A
	INTENTIONALLY LEFT BLANK	77

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends Information/Schedules

J-1	Net Position by Component	78
J-2	Changes in Net Position	79
J-3	Fund Balances-Governmental Funds	80
J-4	Changes in Fund Balances, Governmental Funds	81
J-5	General Fund Other Local Revenue by Source	82

Revenue Capacity Information

J-6	Assessed Value and Estimated Actual Value of Taxable Property	83
J-7	Direct and Overlapping Property Tax Rates	84
J-8	Principal Property Taxpayers	85
J-9	Property Tax Levies and Collections	86

Debt Capacity Information

J-10	Ratios of Outstanding Debt by Type	87
J-11	Ratios of General Bonded Debt Outstanding	88
J-12	Direct and Overlapping Governmental Activities Debt	89
J-13	Legal Debt Margin Information	90

Demographic and Economic Information

J-14	Demographic and Economic Statistics	91
J-15	Principal Employers	92

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	93
J-17	Operating Statistics	94
J-18	School Building Information	95
J-19	Schedule of Required Maintenance Expenditures by School Facility	96
J-20	Insurance Schedule	97

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE RUNNEMEDE SCHOOL DISTRICT
TABLE OF CONTENTS**

SINGLE AUDIT SECTION

K-1	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	98-99
K-2	Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Financial Assistance required by New Jersey OMB Circular Letter 04-04	100-101
K-3	Schedule of Expenditures of Federal Awards - Schedule A	102
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	103
K-5	Notes to the Schedules of Awards and Financial Assistance	104-105
K-6	Schedule of Findings and Questioned Costs	106-109
K-7	Summary Schedule of Prior Audit Findings	110

INTRODUCTORY SECTION

Runnemedede Board of Education

Joanne Augustine
Business Administrator/
Board Secretary

505 W. Third Avenue
Runnemedede, NJ 08078
(856) 931-5367 Fax: (856) 931-4446

October 29, 2013

Honorable President and
Members of the Board of Education
Runnemedede School District
County of Camden, New Jersey 08078

Dear Board Members:

The Comprehensive Annual Financial Report of the Runnemedede Public School District (District) for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Runnemede Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Runnemede Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include comprehensive regular curriculum with appropriate support services, as well as special education for learning disabled/handicapped students. The District completed the 2012-2013 fiscal year with a June enrollment of 853 students. This represents virtually the same enrollment as 2011-12. The following table details the changes in the student enrollment of the District over the last ten years.

June 30 Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-13	853	(1.04)%
2011-12	862	1%
2010-11	851	(.12)%
2009-10	852	.95%
2008-09	844	5.10%
2007-08	803	2.49%
2006-07	806	.12 %
2005-06	805	(3.48)%
2004-05	834	3.60 %
2003-04	805	(2.42)%

2. ECONOMIC CONDITION AND OUTLOOK:

The adequacy formula was again insufficient for the Runnemede School District because it was not fully funded. It fell short of meeting the needs of the growing "at risk" and total school populations. We estimated a significant shortfall when calculating the aid percentage that was commensurate with the formula and what we actually received. In addition, the district continued to recover from the loss of 2010-11 fund balance and reserves, which accounted for a sizeable amount of money that would have been earmarked for tax relief in the 2011-12 and 2012-13 budgets. While staffing levels remained consistent a newly negotiated collective bargaining agreement accounted for an average 2.8% increase for aligned staff and a 2% increase for non-aligned staff.

3. MAJOR INITIATIVES:

- A. The District's consistent focus is successful academic achievement based on instructional improvement. Guided reading is implemented in K-5, providing an opportunity to differentiate instruction and meet the needs of individual learners. A standards based mathematics program has continued and provided excellent results. On-going professional development and accompanying materials have also been incorporated into the spending plan during the budget year.

Language Arts, focusing on the writing component, was identified as an area of weakness in the state assessments and has been the center of professional development, teaching and material resource allocation. Inclusion of students with disabilities and interventions for "at risk" students have been important goals of resource allocation via blending grant funds and the local budget. Intervention programs for struggling readers have continued to grow with the addition of diagnostic assessments and program plans for small group and individual instruction in the Response to Intervention (RTI) model.

- B. Technology continued to advance with the continuous upgrade of computer labs, the addition of two types of Interactive White Boards in all school buildings and updated software. A Technology Coordinator position that was added to the staff in 2008-09 continues to be maintained as a full time position. In addition to maintain the network, the Coordinator provides leadership and support for technology infrastructure, including the phone and security systems and the educational program. The web based student information management system, Real-time, was used again to include the lesson-planning module and to drive the course code mandate as well as other required state reports. Courses are now connected to all teachers and their lesson plans in grades 4-8 with plans to do so in the K-3 buildings in 2012-2013.
- C. 2011-12 was a planning year for the implementation of the new teacher and principal evaluation system. A team selected the model that will be used and professional development time was set for the upcoming school year. The projection is to use Race to the Top 3 funds to initiate the pilot project in 2012-2013.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. OTHER INFORMATION:

A) Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Raymond Colavita, C.P.A., R.M.A. of the accounting firm, Nightlinger, Colavita and Volpa, P.A. was selected by the Board's Audit Committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, P.L. 98-502 and as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Awards – The District has received one (1) safety award in recognition of the efforts and achievement of our Safety Program. These awards have been issued from the New Jersey School Boards Association Insurance Group.

10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Runnemede School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the public school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff. We received the complete cooperation from Nightlinger, Colavita & Volpa, P.A. and appreciate the courtesies extended to us.

Respectfully submitted,

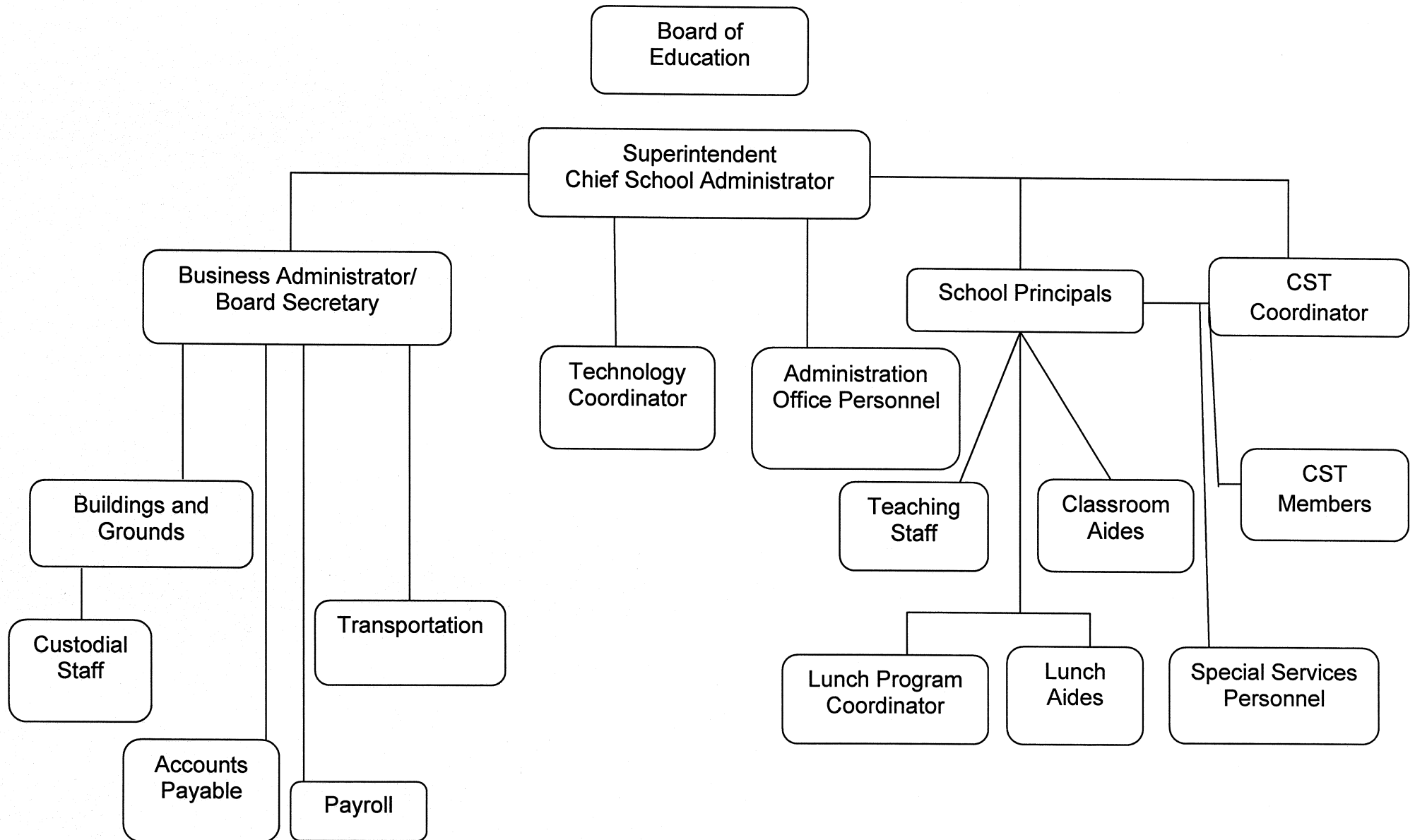


Mark Iannucci, Superintendent



Joanne Augustine, School Business
Administrator/Board Secretary

RUNNEMEDE BOARD OF EDUCATION



RUNNEMEDE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2013

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Samantha Spaulding, President	2015
Naomi Davidson, Vice President	2013
John Wark	2013
Maria Panzarella	2013
Angel Beebe	2014
Lynn Torrillo	2014
Patricia Smith	2014
Amy Farry (To December 31, 2012)	
Charles Buchheim	2015
Patricia Adair	2015

OTHER OFFICIALS

Nancy Ward, Superintendent (To March 27, 2013)

Mark Iannucci, Supteintendent (April 8-28, 2013 & May 13, 2013-Present)

David Cappuccio, Interim Superintendent (April 29, 2013 - May 9, 2013)

Joanne Augustine, Board Secretary / Business Administrator

Christie Ehret, Treasurer

Philip Stern, Esq., Solicitor

RUNNEMEDE BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

Garrison Architects
1400 F Commerce Parkway
Mount Laurel, NJ 08054

AUDIT FIRM

Raymond Colavita, CPA, RMA, PSA
Nightlinger, Colavita and Volpa, PA
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Adams, Stern, Gutierrez & Lattiboudere, LLC
744 Broad Street
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Newark, NJ 07102

OFFICIAL DEPOSITORY

PNC Bank
Glendora, NJ 08029

INSURANCE AGENCY

The Barclay Group
202 Broad Street, P.O. Box 244
Riverton, NJ 08077

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
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Williamstown, NJ 08094

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October 29, 2013

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, which collectively comprise the Runnemede School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Runnemede Board of Education in the County of Camden, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

New Accounting Standards

As discussed in Note 2 to the financial statements, during the fiscal year ended June 30, 2013, the School District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB): Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 19 and 54 through 61 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Runnemede Board of Education's financial statements as a whole. The accompanying introductory section and other supplementary information such as the combining fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, respectively and are not a required part of the financial statements.

The combining and individual non-major fund financial statements and the schedules of expenditures of federal awards and state assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 29, 2013 on our consideration of the Runnemede Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

RUNNEMEDE SCHOOL DISTRICT
BOROUGH OF RUNNEMEDE

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

UNAUDITED

As management of the Runnemede Public School District, we offer readers of the financial statements this overall review of the School District's financial activities for the fiscal year ended June 30, 2013. While the intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the notes to the financial statements in conjunction with other sections of the CAFR, in order to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

- ❖ The assets of the School District exceeded its liabilities at the close of the fiscal year ended June 30, 2013 by \$5,174,102. This amount represents Net Position, which increased by \$733,867 from the previous year-end.
- ❖ Total net position of governmental activities totaled \$5,126,060 and Capital assets comprised 51.3% of all governmental activities assets of \$6,287,669.
- ❖ General revenues, net of adjustments, accounted for \$11,440,676 in revenue or 85.7% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, accounted for \$1,902,485 or 14.3% to total revenues of \$13,343,161.
- ❖ The School District had \$12,609,294 in program expenses. These expenses were offset by program specific charges for services, grants or contributions of \$1,902,485 as mentioned above in arriving at the net governmental activity expenses of the District. General revenues comprising federal and state aid of \$6,551,576, property taxes of \$4,806,705 and other miscellaneous revenues and adjustments of \$82,395 were adequate to provide for the programs maintained by the school.
- ❖ The General Fund had \$12,548,214 in revenues, \$11,840,225 in expenditures and other financing use reductions of \$47,461. The General Fund's balance increased \$660,528 over 2012. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Runnemede School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Runnemede School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. There are three school buildings maintained by the district, which are the Bingham Elementary School, the Downing Elementary School, and the Voltz Middle School.
- ❖ **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Governmental Funds (Continued)

The Governmental Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same. The Food Service fund is the only Enterprise Fund maintained by the District.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a comparative summary of the School District's net position for the years ended in 2013 and 2012.

Table 1
Net Position

	2013	2012
Assets		
Current and Other Assets	\$ 3,109,636	\$ 2,413,268
Capital Assets, Net	3,233,845	3,226,191
Total Assets	6,343,481	5,639,459
Liabilities		
Long-term Liabilities	749,971	476,920
Other Liabilities	419,408	722,304
Total Liabilities	1,169,379	1,199,224
Net Position		
Invested in Capital Assets, Net of Debt	3,233,845	3,226,191
Restricted	2,424,411	1,630,994
Unrestricted	(484,154)	(416,950)
Total Net Position	\$ 5,174,102	\$ 4,440,235

Table 2 shows the changes in net position from fiscal year's 2013 and 2012.

Table 2
Changes in Net Position

	2013	2012
Revenues		
Programs Revenues		
Charges for Services	\$ 73,395	\$ 73,929
Operating Grants and Contributions	1,829,090	1,605,606
General Revenues		
Property Taxes	4,806,705	5,071,086
Grants and Entitlements	6,551,576	6,300,716
Other	82,395	311,413
Total Revenues	13,343,161	13,362,750
Program Expenses		
Instruction	5,192,010	4,914,833
Support Services		
Tuition	569,265	605,307
Pupils and Instructional Staff	1,380,450	1,329,739
General Administration, School		
Administration, Business	958,101	908,212
Operations and Maintenance of Facilities	653,349	708,219
Pupil Transportation	264,384	226,354
Unallocated Employee Benefits	3,234,907	3,012,067
Interest on Debt		9,303
Enterprise Funds	238,344	245,745
Other	118,484	81,971
Total Expenses	12,609,294	12,041,750
Increase in Net Position	\$ 733,867	\$ 1,321,000

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Of the District's \$13,343,161 in total revenues for the fiscal year ended June 30, 2013, property taxes made up 36% of the revenues raised for governmental activities. Federal, state and local grants accounted for another 62.8% and other revenues, net of adjustments made up 1.2%. The total cost of all program and services was \$12,609,294 of which the net amount spent on governmental activities was \$10,675,655. Of this amount, instruction comprised 41%.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$31,154.
- ❖ To offset the food services deficit, the General Fund subsidized the food service operation by \$38,350. The fund ended the year with a net positive change of \$7,200. The District will continue to identify a means to bring the food service cost of the District under control.
- ❖ Charges for services in the Food Service Fund represent \$73,395 of revenue. This represents the amount paid by patrons for daily food services for 37% of the revenue in the Food Service Fund.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities, were \$133,795 which represents 62% of the revenue.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Service 2013</u>	<u>Net Cost of Service 2013</u>	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>
Instruction	\$ 5,192,010	\$ 4,811,477	\$ 4,914,833	\$ 4,525,841
Support Services				
Tuition	569,265	569,265	605,307	605,307
Pupils and Instructional Staff	1,380,450	1,178,250	1,329,739	1,164,124
General Administration, School				
Administration, Business	958,101	958,101	908,212	908,212
Operation and Maintenance of Facilities	653,349	653,349	708,219	708,219
Pupil Transportation	264,384	264,384	226,354	226,354
Employee Benefits	3,234,907	2,122,345	3,012,067	2,085,964
Interest and Fiscal Charges			11,652	11,652
Other	118,484	118,484	79,622	79,622
Total Expenses	<u>\$ 12,370,950</u>	<u>\$ 10,675,655</u>	<u>\$ 11,796,005</u>	<u>\$ 10,315,295</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$13,145,078 and expenditures of \$12,437,089. The net change in fund balance for the year was \$660,528, which included the transfer to the food service fund of \$38,350 and a transfer to charter school of \$9,111. The School District is able to meet current operating costs with no urgent need for additional funds.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects and permanent fund expenditures) for the fiscal year ended June 30, 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) 2012</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 6,593,502	50.2%	\$ (26,585)	-0.4%
State Sources	6,014,785	45.8%	358,525	6.3%
Federal Sources	536,791	4.1%	(107,665)	-16.7%
Total	<u>\$ 13,145,078</u>	<u>100.0%</u>	<u>\$ 224,275</u>	<u>1.7%</u>

The decrease in Local Sources is attributed to decreases in the local tax levy of \$49,796 and tuition income of \$194, offset by increases in miscellaneous revenue of \$22,731 and interest earned of \$674.

The increase in State Sources is attributed to higher general fund state aid of \$478,052, offset by a decrease in grants for special projects of \$33,325 and state debt service aid of \$86,202.

The decrease in Federal Sources is attributed to decreases in various grant awards of \$107,665.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2013.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2012	Percent Increase (Decrease)
Current:				
Instruction	\$ 5,192,010	41.7%	\$ 288,463	5.9%
Undistributed Expenditures	7,117,968	57.2%	378,192	5.6%
Capital Outlay	127,111	1.0%	29,530	30.3%
Debt Service:				
Principal		0.0%	(250,000)	-100.0%
Interest		0.0%	(13,125)	-100.0%
Total	<u>\$ 12,437,089</u>	<u>100.0%</u>	<u>\$ 433,060</u>	<u>3.6%</u>

The increase in Current – Instruction is attributed to increases in regular instruction of \$193,881, special education instruction of \$88,114 and other instruction of \$6,468.

The increase in Current – Undistributed Expenditures is attributed to increases in student and instruction related expenses of \$50,711., administrative costs of \$51,319, plant operations and maintenance of \$39,519, pupil transportation of \$38,030 and employee benefits of \$234,655, offset by a decrease in district tuition of \$36,042

The increase of \$29,530 in capital outlay is attributed to increases in equipment purchases and state aided building improvements.

The decrease in debt service is attributed to the fulfillment of debt service payments.

General Fund Budgeting Highlights

The School District's Budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2013, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

Some of the normal budgetary situations requiring attention during the year are:

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District's final budget for the general fund anticipated that revenues, including surplus appropriated, would roughly equal expenditures, the actual results for the year show an actual increase in fund balance of \$702,933.

- ❖ Actual revenues were \$150,784 higher than expected (excluding On-Behalf pension and social security state aid of \$1,098,431 due primarily to local source revenue of \$68,756, other categorical aid of \$61,914 and special education Medicaid insurance of \$20,114.
- ❖ The actual expenditures were \$26,948 more than expected, which included the effects of state On-Behalf pension and social security aid of \$1,098,431.

Capital Assets

At the end of the fiscal year 2013, the School District had \$3,233,845 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2013 balances compared to 2012.

Table 4
Capital Assets (Net of Depreciation) at June 30

	<u>2012</u>	<u>2011</u>
Land	\$ 29,083	\$ 29,083
Site Improvements	47,002	56,423
Building and Improvements	3,010,894	3,050,435
Equipment	146,866	90,250
Totals	<u>\$ 3,233,845</u>	<u>\$ 3,226,191</u>

Overall capital assets increased \$7,654 from fiscal year 2012 to fiscal year 2013. Increases were \$48,352 in Buildings and Improvements and \$78,759 in Equipment, offset by depreciation expense of \$119,457.

Debt Administration

At June 30, 2013, the School District had \$419,408 as outstanding debt, all of which is for compensated absences.

At June 30, 2013, the School District's overall legal debt margin was \$16,557,790, all of which constitutes unvoted debt permitted by statute.

For the Future

The Runnemede School District is presently in good financial condition. A major concern is the continued increases in mandated expenditures that are not aided by funding from the state. The Board of Education did choose to move the School Board election to November and agreed to reserve increase of the tax levy to no more than two percent for each budget year. While this ensures greater control over the budget, the restriction results in fiscally conservative decisions that may curtail programmatic growth and capital improvements.

It is the responsibility of the governing body to make decisions that are consistently centered on student achievement and preservation of the asset while remaining mindful of the taxpayer. The District will continue to pursue new ways to decrease spending where possible to ensure that funding is adequate to ensure attainment of the goal of quality educational programs for its students. This will be accomplished by maintaining exemplary practices in financial planning, budgeting and maintaining financial controls that are in accordance with state statutes and guidelines.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact, Mark Iannucci, Superintendent of Schools at Runnemede Board of Education, 505 West Third Avenue, Runnemede, New Jersey 08078.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,351,044	\$ 40,140	\$ 2,391,184
Receivables, Net	704,821	8,433	713,254
Interfunds	4,960		4,960
Restricted Assets:			
Inventory		238	238
Capital Assets, Net (Note 5):	3,226,844	7,001	3,233,845
Total Assets	<u>6,287,669</u>	<u>55,812</u>	<u>6,343,481</u>
LIABILITIES			
Accounts Payable	141,175	7,120	148,295
Interfund Payable	1,341		1,341
Short-term Loan	500,000		500,000
Other Liabilities	69,079		69,079
Unearned Revenue	30,606	650	31,256
Non-current Liabilities (Note 6):			
Due Within One Year	85,030		85,030
Due Beyond One Year	334,378		334,378
Total Liabilities	<u>1,161,609</u>	<u>7,770</u>	<u>1,169,379</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,226,844	7,001	3,233,845
Restricted for:			
General Fund	1,297,851		1,297,851
Capital Projects Fund	1,126,560		1,126,560
Unrestricted	(525,195)	41,041	(484,154)
Total Net Position	<u>\$ 5,126,060</u>	<u>\$ 48,042</u>	<u>\$ 5,174,102</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,770,924	\$ -	\$ 380,533	\$ (3,390,391)	\$ -	\$ (3,390,391)
Special Education	1,205,619			(1,205,619)		(1,205,619)
Other Instruction	215,467			(215,467)		(215,467)
Support Services:						
Tuition	569,265			(569,265)		(569,265)
Student & Instruction Related Services	1,380,450		202,200	(1,178,250)		(1,178,250)
General and Business Administrative Services	374,223			(374,223)		(374,223)
School Administrative Services	350,477			(350,477)		(350,477)
Central Services	188,346			(188,346)		(188,346)
Admin Info Tech	45,055			(45,055)		(45,055)
Plant Operations and Maintenance	653,349			(653,349)		(653,349)
Pupil Transportation	264,384			(264,384)		(264,384)
Employee Benefits	3,234,907		1,112,562	(2,122,345)		(2,122,345)
Unallocated Depreciation	118,484			(118,484)		(118,484)
Total Governmental Activities	12,370,950		1,695,295	(10,675,655)		(10,675,655)
Business-type Activities:						
Food Service	238,344	73,395	133,795		(31,154)	(31,154)
Total Business-type Activities	238,344	73,395	133,795		(31,154)	(31,154)
Total Primary Government	\$12,609,294	\$ 73,395	\$ 1,829,090	\$ (10,675,655)	\$ (31,154)	\$ (10,706,809)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 4,806,705	\$ -	\$ 4,806,705
Federal, State and Local Aid Not Restricted				6,551,576		6,551,576
Investment Earnings				1,361	4	1,365
Miscellaneous Income				90,141		90,141
Transfers - Food Service				(38,350)	38,350	
Transfers - To Charter School				(9,111)		(9,111)
Total General Revenues, Special Items, Extraordinary Items and Transfers				11,402,322	38,354	11,440,676
Change in Net Position				726,667	7,200	733,867
Net Position—Beginning				4,399,393	40,842	4,440,235
Net Position—Ending				\$ 5,126,060	\$ 48,042	\$ 5,174,102

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

RUNNEMEDE BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 694,553	\$ 113,998	\$ 505,164	\$ 1,313,715
Cash and Cash Equivalents - Capital Reserve	1,037,329			1,037,329
State Aid Receivable	110,822		460,992	571,814
Federal Aid Receivable		124,713		124,713
Interfund Receivable	567,155			567,155
Other Receivables	8,294			8,294
Total Assets	<u>\$ 2,418,153</u>	<u>\$ 238,711</u>	<u>\$ 966,156</u>	<u>\$ 3,623,020</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 130,279	\$ 10,896	\$	\$ 141,175
Short-term Loan			500,000	500,000
Interfund Payable	1,341	128,130	434,065	563,536
Due to State		68,966		68,966
Due to Federal Agency		113		113
Unearned Revenue		30,606		30,606
Total Liabilities	<u>131,620</u>	<u>238,711</u>	<u>934,065</u>	<u>1,304,396</u>
Fund Balances:				
Restricted For:				
Excess Surplus	471,045			471,045
Excess surplus - Designated for				
Subsequent Year's Expenditures	526,806			526,806
Maintenance Reserve Account	300,000			300,000
Capital Reserve Account	869,469			869,469
Capital Reserve - Designated for				
Subsequent Year's Expenditures	225,000			225,000
Committed To:				
Year-End Encumbrances	35,202			35,202
Unassigned, Reported In:				
General Fund Balance	(140,989)			(140,989)
Capital Projects Fund			32,091	32,091
Total Fund Balances	<u>2,286,533</u>	<u></u>	<u>32,091</u>	<u>2,318,624</u>
Total Liabilities and Fund Balances	<u>\$ 2,418,153</u>	<u>\$ 238,711</u>	<u>\$ 966,156</u>	

Amounts reported for *governmental activities* in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,193,555 and the accumulated depreciation is \$2,966,711 (See Note 5) 3,226,844

Long-term liabilities, including bonds payable and Compensated Absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6). (419,408)

Net Position of Governmental Activities \$ 5,126,060

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 6,502,000	\$ -	\$	\$ 6,502,000
Tuition from Individuals	49,015			49,015
Interest Earned on Investments	681			681
Interest Earned on Capital Reserve Funds	680			680
Miscellaneous	35,880	5,246		41,126
Total - Local Sources	6,588,256	5,246		6,593,502
State Sources	5,923,813	90,972		6,014,785
Federal Sources	36,145	500,646		536,791
Total Revenues	12,548,214	596,864		13,145,078
EXPENDITURES				
Current:				
Regular Instruction	3,390,391	380,533		3,770,924
Special Education Instruction	1,205,619			1,205,619
Other Instruction	215,467			215,467
Support Services:				
Tuition	569,265			569,265
Student & Instruction Related Services	1,178,250	202,200		1,380,450
General Administrative Services	374,223			374,223
School Administrative Services	350,477			350,477
Central Services	188,346			188,346
Admin Info Tech	45,055			45,055
Plant Operations and Maintenance	653,349			653,349
Pupil Transportation	264,384			264,384
Employee Benefits	3,278,288	14,131		3,292,419
Capital Outlay	127,111			127,111
Total Expenditures	11,840,225	596,864		12,437,089
Excess (Deficiency) of Revenues Over Expenditures	707,989	-		707,989
OTHER FINANCING SOURCES (USES)				
Transfers out - Food Service Fund	(38,350)			(38,350)
Transfers to Charter School	(9,111)			(9,111)
Total Other Financing Sources and Uses	(47,461)			(47,461)
Net Change in Fund Balances	660,528			660,528
Fund Balance—July 1	1,626,005		32,091	1,658,096
Fund Balance—June 30	\$ 2,286,533	\$ -	\$ 32,091	\$ 2,318,624

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	660,528
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Amounts reported for governmental activities in the Statement
of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of
Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.
This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$	(118,484)	
Capital outlays		127,111	
			8,627

In the Statement of Activities, certain operating expenses, e.g. compensated absences are measured
by the amounts earned during the year. In the governmental funds, however, expenditures for these
items are reported in the amount of financial resources used (paid).

		57,512	
Change in Net Position of Governmental Activities (A-2)	\$	726,667	

The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash	\$ 45,100	\$ 45,100
Accounts Receivable	8,433	8,433
Inventory	238	238
Total Current Assets	53,771	53,771
Fixed Assets:		
Equipment	14,597	14,597
Accumulated Depreciation	(7,596)	(7,596)
Total Fixed Assets	7,001	7,001
Total Assets	60,772	60,772
LIABILITIES:		
Current Liabilities:		
Accounts Payable	7,120	7,120
Interfund Payable	4,960	4,960
Unearned Revenue	650	650
Total Current Liabilities	12,730	12,730
NET POSITION:		
Invested in Capital Assets Net of Related Debt	7,001	7,001
Unrestricted	41,041	41,041
Total Net Position	\$ 48,042	\$ 48,042

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 41,573	\$ 41,573
Daily Sales - Non-Reimbursable Programs	31,822	31,822
Total Operating Revenue:	73,395	73,395
Operating Expenses:		
Salaries	45,090	45,090
Employee Benefits	5,573	5,573
Management Fee	10,756	10,756
Supplies and Materials	11,721	11,721
Cost of Sales	146,684	146,684
Depreciation	973	973
Repairs and Other Expenses	17,547	17,547
Total Operating Expenses	238,344	238,344
Operating Income (Loss)	(164,949)	(164,949)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	2,524	2,524
Federal Sources:		
National School Lunch Program	98,405	98,405
National School Breakfast Program	21,503	21,503
Food Distribution Program	11,363	11,363
Interest	4	4
Total Non-operating Revenues (Expenses)	133,799	133,799
Income (Loss) Before Contributions & Transfers	(31,150)	(31,150)
Transfers In (Out)	38,350	38,350
Change in Net Position	7,200	7,200
Total Net Position—Beginning	40,842	40,842
Total Net Position—Ending	\$ 48,042	\$ 48,042

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-type Activities	
	Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 73,395	\$ 73,395
Payments to Employees	(45,090)	(45,090)
Payments for Employee Benefits	(5,573)	(5,573)
Payments to Suppliers	(153,706)	(153,706)
Net Cash Provided by (used for) Operating Activities	(130,974)	(130,974)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	2,524	2,524
Federal Sources	119,908	119,908
Operating Subsidies and Transfers to Other Funds	38,350	38,350
Net Cash Provided by (used for) Non-capital Financing Activities	160,782	160,782
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets		
Net Cash Provided by (used for) Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividends	4	4
Net Cash Provided by (used for) Investing Activities	4	4
Net Increase (Decrease) in Cash and Cash Equivalents	29,812	29,812
Balances—Beginning of Year	15,288	15,288
Balances—End of Year	\$ 45,100	\$ 45,100
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss)	\$ (164,949)	\$ (164,949)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Depreciation and Net Amortization	973	973
Food Distribution Program	11,363	11,363
(Increase)/Decrease in Accounts Receivable, Net	(4,280)	(4,280)
(Increase)/Decrease in Interfund Receivable	14,773	14,773
(Increase)/Decrease in Inventory	(209)	(209)
Increase/(Decrease) in Accounts Payable	6,441	6,441
Increase/(Decrease) in Interfund Payable	4,960	4,960
Increase/(Decrease) in Deferred Revenue	(46)	(46)
Total Adjustments	33,975	33,975
Net Cash Provided by (used for) Operating Activities	\$ (130,974)	\$ (130,974)

Noncash Noncapital Financing Activities:

During the year, the District received \$11,363 of Food Commodities from the U. S. Department of Agriculture

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Unemployment Compensation Insurance Trust	Agency Funds	
		Student Activity	Payroll
ASSETS			
Cash and Cash Equivalents	\$ 73,157	\$ 18,445	\$ 93,111
Total Assets	<u>73,157</u>	<u>18,445</u>	<u>93,111</u>
LIABILITIES			
Accounts Payable	2,718		
Payable to Student Groups		18,445	
Payroll Deductions and Withholdings			94,452
Total Liabilities	<u>2,718</u>	<u>18,445</u>	<u>94,452</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 70,439</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Unemployment Compensation Insurance Trust
ADDITIONS	
Contributions - Employee	\$ 16,047
Interest Earnings	53
	<hr/>
Total Additions	16,100
	<hr/>
DEDUCTIONS	
Unemployment Claims	34,077
	<hr/>
Total Deductions	34,077
	<hr/>
Change in Net Position	(17,977)
Net Position—Beginning of the Year	88,416
	<hr/>
Net Position—End of the Year	\$ 70,439
	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY

A. Description of Reporting Entity:

The Borough of Runnemede School District (School District) is a Type II School District located in the County of Camden, State of New Jersey and covers an area of approximately two square miles. As a Type II School District, it functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for all of Runnemede's students in grades K through 8. Student in grades 9 through 12 attend the Black Horse Pike Regional High School District. The Runnemede School District has an approximate enrollment at June 30, 2013 of 853 students.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

B. New Accounting Standards:

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect in a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items were previously reported as assets and liabilities and recognize, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.
- GASB 66, *Technical Corrections-2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. DESCRIPTION OF SCHOOL DISTRICT AND REPORTING ENTITY (Cont'd)

B. New Accounting Standards (Cont'd):

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation:

The financial statements of the Board of Education (Board) of the Runnemedede School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental funds, provided that they do not conflict with or contradict GASB pronouncements. The more significant of the Board's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement provides for the most significant change in financial reporting over twenty years and was scheduled for a phase-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments).

In addition, the school district has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and GASB No. 54 *Fund Balance Reporting and Governmental Fund Type Descriptions*.

The District's basic financial statements consist of District-Wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. Basis of Presentation: (Cont'd)

District-Wide Statements - The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. Eliminations have been made to minimize the double counting of internal activities. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

B. Fund Accounting:

The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

GOVERNMENTAL FUNDS - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

General Fund - The General Fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities states that General Fund resources may be used to directly finance capital outlays for longlived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenues from the State and Federal Government, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by Proprietary Funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. The School District recorded three new NJSDA Projects during the year in the Capital Projects Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

Permanent Fund - The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for purposes that support the School District's programs, that is, for the benefit of the school district or its students. The School District does not maintain a Permanent Fund.

PROPRIETARY FUNDS - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those in the private sector.

Enterprise Funds - These funds are used to account for operations:

That are financed in a manner similar to private business enterprises, where the intent of the School District is that all costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

PROPRIETARY FUNDS (CONT'D)

Where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Food Service Fund - The School District's only enterprise funds is the Food Service Fund, which accounts for the financial transactions related to the food service operations of the School District.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into investment in capital assets, net of related debt, and unrestricted net position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	12 Years
Light Trucks and Vehicles	4 Years

FIDUCIARY FUNDS - Fiduciary Fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Unemployment Compensation Insurance Fund is an Expendable Trust Fund.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting: (Cont'd)

FIDUCIARY FUNDS (CONT'D)

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Measurement Focus:

District-Wide Financial Statements - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-Wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Position, with the exception of the Fiduciary Funds.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-Wide financial statements are prepared. Governmental Fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the District-Wide statements and the statements for governmental funds.

Like the District-Wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Fund Net Position presents increases (i.e. revenues) and decreases (i.e. expenses) in net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-Wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Accounting: (Cont'd)

Revenues – Exchange and Non-exchange Transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measureable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the resources are provided to the School District on a reimbursement basis. The restricted formula aids (i.e. Demonstrably Effective Program Aid and Instructional Supplement Program Aid) are recorded in the special revenue fund in accordance with the Audit Program promulgated by the New Jersey Department of Education which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures:

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2013.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund, as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1 and C-2, include all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the General Fund Budgetary Comparison schedule and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows the modified accrual basis, with the exception of the recognition policy for the last state aid payment.

G. Encumbrance Accounting:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Encumbrance Accounting: (Cont'd)

Open encumbrances in the special revenue fund, for which the School District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

H. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

Investments are stated at cost, or amortized cost, which approximates market. The Board classifies U.S. Treasury with Agency obligations and certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments state at cost. All other investments would be stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions of which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts as follows:

- a. Bonds or other obligations of the Unites States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the School District.

School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund. As of June 30, 2013 the District had no funds on deposit with the New Jersey Cash Management.

Deposits:

N.J.S.A. 17:9-41, et seq. establishes requirements for the security of deposits of governmental units. The statutes require that School Districts deposit public funds in public depositories secured in accordance with the Governmental Unit Deposit Protection Act, which is a multiple financial institution collateral pool enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution located in New Jersey, which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office on the state of New Jersey, the deposits of which are federally insured.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Cash, Cash Equivalents and Investments: (Cont'd)

All public depositories must pledge collateral, having a market value at least equal to 5% of the average daily balance of collected public funds on deposit, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to Governmental Units.

The School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the Governmental Unit Deposit Protection Act and approves a list of authorized depository institutions based on an evaluation of solicited responses and presentation of GUDPA certifications provided by the financial institutions.

I. Tuition Receivable:

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

J. Tuition Payable:

Tuition charges for the fiscal years ended June 30, 2013, 2012 and 2011 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

K. Inventories:

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

On District-Wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used.

There was no Federal Commodity Inventory balance as of June 30, 2013, maintained at the Bellmawr School District that provides meals to the Runnemede School District.

L. Prepaid Expenses:

Prepaid expenses recorded on the District-Wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

M. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable.

N. Restricted Assets:

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. Restricted assets include bond proceeds to be used for capital construction and amounts set aside to create a reserve for future capital projects.

O. Deferred Charges - Bond Issue Costs:

On the District-wide financial statements, bond issue costs were previously deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. In governmental funds, these costs are reported as expenditures when the related liability is incurred. Unearned revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. Beginning in the 2012-13 year the District will expense bond issue costs when incurred.

P. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the District-Wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the District-Wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset's life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Q. Capital Assets: (Cont'd)

<u>Asset Class</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
School Buildings	50 Years	N/A
Building Improvements	50 Years	N/A
Site Improvements	20 Years	N/A
Machinery and Equipment	5-20 Years	12 Years

R. Compensated Absences:

The School District accounts for compensated absences (e.g. unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absence liability is reported on the District-Wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

S. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, contractually required pension contributions, special termination benefits and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

T. Unearned Revenue:

Unearned revenue arises when assets are received or recognized before the appropriate revenue recognition criteria have been satisfied. This includes expenditure encumbrances in special revenue fund.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

U. Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

V. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation for expenditures. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, legally restricted appropriations, excess surplus and capital reserve program.

W. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

X. Interfund Activity:

Transfers between governmental and business-type activities on the District-Wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are presented on the financial statements.

Y. Management Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Accordingly, actual results may differ from those estimates.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Z. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

AA. Extraordinary and Special Items:

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

AB. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2013, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Equivalents</u>
Checking accounts	\$ 2,585,287
Total	\$ <u>2,585,287</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Custodial Credit Risk

Custodial credit presents a risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's formal policy regarding custodial credit risk is in compliance with N.J.S.A. 17:9-41 et seq. that the School District deposit all public funds in public depositories protected from loss under the provisions of the GUDPA Act as described in Note 2.

The District does not place a limit on the amount that may be invested in any one issuer. As of June 30, 2013, the District's bank balance of \$2,909,972 was insured or collateralized as follows:

Insured by Depository Insurance	\$	250,000
Collateralized under GUDPA		2,659,972
Total	\$	<u>2,909,972</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligations. The District does not have a policy that restricts investment choices beyond Title 18A:20-37.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Runnemede Board of Education by inclusion of \$100,000 on June 30, 2008 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$	593,789
2012-13 Addition		500,000
Interest Earnings		680
		<u>1,094,469</u>
Less: Transfers Out		
Ending Balance, June 30, 2013	\$	<u>1,094,469</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4. CAPITAL RESERVE ACCOUNT (CONT'D)

The June 30, 2013 LRFP balance of local support costs of uncompleted capital projects at June 30, 2013 is \$7,389,180. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

NOTE 5. CAPITAL ASSETS

	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 29,083	\$ -	\$ -	\$ 29,083
Construction in Progress				
Total Capital Assets not being Depreciated	<u>29,083</u>			<u>29,083</u>
Site Improvements	332,180			332,180
Building and Building Improvements	5,327,031	48,352		5,375,383
Equipment	378,150	78,759		456,909
Totals at Historical Cost	<u>6,037,361</u>	<u>127,111</u>		<u>6,164,472</u>
Less Accumulated Depreciation for :				
Site Improvements	(275,757)	(9,421)		(285,178)
Building and Improvements	(2,276,596)	(87,893)		(2,364,489)
Equipment	(295,874)	(21,170)		(317,044)
Total Accumulated Depreciation	<u>(2,848,227)</u>	<u>(118,484)</u>		<u>(2,966,711)</u>
Total Capital Assets being Depreciated, Net of Accumulated Depreciation	3,189,134	8,627		3,197,761
Government Activities Capital Assets, Net	<u>\$ 3,218,217</u>	<u>\$ 8,627</u>		<u>\$ 3,226,844</u>
	To A-1			To A-1
Business-Type Activities - Equipment	\$ 14,597			\$ 14,597
Less Accumulated Depreciation	(6,623)	(973)		(7,596)
Business-Type Activities Capital Assets, Net	<u>\$ 7,974</u>	<u>\$ (973)</u>		<u>\$ 7,001</u>

Depreciation Expense in the amount of \$118,484 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 14,420
Plant Operations	1,427
Central Administration	4,239
Unallocated	98,398
	<u>\$ 118,484</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 6. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2013 the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total Bonds Payable						
Other Liabilities:						
Compensated Absences Payable	476,920		57,512	419,408	85,030	334,378
Total Other Liabilities	\$ 476,920	\$ _____	\$ 57,512	\$ 419,408	\$ 85,030	\$ 334,378
Business-Type Activities:						
Compensated Absences Payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

A. Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are as follows:

1997 General Obligation Bonds dated March 15, 1997 in the amount of \$2,950,000 due in annual installments through March 15, 2012, bearing interest rate of 5.125% to 5.25%. The Bonds were paid-off during the 2011-2012 school year.

Therefore, no principal and interest due on bonds is outstanding as of June 30, 2013.

B. Bonds Authorized But Not Issued - As of June 30, 2012 None.

C. Capital Leases None.

NOTE 7. OPERATING LEASES

At June 30, 2013, the District had an operating lease agreement for copiers. In addition, a new lease for ipads and carts was approved, with payments due through the 2014-2015 school year. Future minimum lease payments are as follows:

	<u>Amount</u>
Year ending June 30,	
2013	\$ 46,592
2014	39,057
2015	39,057
Total future minimum lease payments	\$ <u>124,706</u>

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following defined benefit pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits: the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publically available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.L. Box 295, Trenton, New Jersey, 08625-0295.

Significant Legislation - P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Teachers' Pension and Annuity Fund – The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of the annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd) – Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution has been required over several preceding fiscal years.

Public Employees' Retirement System – The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual covered salary. Effective July 1, 2011, however, in accordance with Chapter 78, P.L. 2011, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2007, the increase is effective with the payroll period that begins immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability.

Three-Year Trend Information for PERS

<u>Year of Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/13	\$ 123,756	100%	\$ 123,756
6/30/12	148,851	100	148,851
6/30/11	143,399	100	143,399

The District chose not to defer PERS Pension costs for the 2009-10 year.

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/13	\$ 704,223	100%	\$ 0
6/30/12	510,746	100	0
6/30/11	347,179	100	0

During the fiscal year ended June 30, 2013, the State of New Jersey contributed \$330,505 to the TPAF for Pension Contributions and \$373,718 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$394,208 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2013 there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2013.

NOTE 10. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreement with the various employee unions.

In the District-Wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences is recorded within those funds as the benefits accrued to employees. As of June 30, 2013, a liability existed for compensated absences in the governmental fund in the amount \$419,408.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 11. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by an outside organization, approved by the School District, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The School District has very little administrative involvement, performs no investing function, and has no fiduciary responsibility for these plans. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are solely the property and rights of the participants and are not subject to claims of the School District's creditors. Accordingly, the plan assets are not reported as a part of these financial statements. The plan administrators are as follows:

Aetna	Lincoln Investment Planning
Fidelity Investments	Vanguard AXA Equitable

NOTE 12. CONTINGENCIES

The School District participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material.

The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the School District's future operation is not yet determinable.

NOTE 13. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance - The School District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Joint Insurance Pool- The School District is a member of the New Jersey School Boards Association Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if any. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 13. RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$	\$ 16,100	\$ 34,077	\$ 70,439
2011-2012	247	16,698	32,291	88,416
2010-2011	42,557	11,417	74,058	103,762

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

<u>Fiscal Year</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 567,155	\$ 1,341
Special Revenue Fund		128,130
Payroll Agency	1,341	
Capital Projects Fund		434,065
Food Service Fund		4,960
Total	\$ <u>568,496</u>	\$ <u>568,496</u>

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$2,286,533 General Fund balance at June 30, 2013, \$35,202 is reserved for Encumbrances; \$1,094,469 has been reserved in the Capital Reserve Account, of which \$225,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2014 ; \$300,000 is reserved for Maintenance Reserve: \$997,851 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$526,806 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); and there is a Deficit in unreserved and undesignated fund balance of (\$140,989).

Debt Service Fund -There is no fund balance in the Debt Service Fund at June 30, 2013.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (\$1,701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$471,045 that must be budgeted in the 2014-15 budget.

NOTE 17. DEFICIT FUND BALANCES

The District has a deficit in Unrestricted fund balance of \$140,989 in the General Fund and no deficit in the Special Revenue Fund as of June 30, 2013 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budgeted purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable. Due to the timing difference of recording the last state aid payment, the deficit in the General Fund balance does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2, any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's general fund deficit is less than the last state aid payment of \$452,903.

NOTE 18. RECEIVABLES

Receivables at June 30, 2013 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Federal	\$	\$ 124,713	\$	\$ 7,792	\$ 132,505
State	110,822		460,992	299	572,113
Other Governmental Units	8,294				8,294
Other				342	342
Totals	\$ 119,116	\$ 124,713	\$ 460,992	\$ 8,433	\$ 713,254

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 19. LITIGATION

The District is not involved in any lawsuit incidental to its operations and the administration and legal council are not aware of any matters pending or threatened, which are likely to have a material adverse effect on the financial position of the District. There is, however, one matter received through direct written communication from the Solicitor as follows:

There is one matter arising several years ago involving a belief that there were questionable roof repair expenditures in prior years, "performed without the requisite conformity to the Public School Bidding Laws". No opinion was expressed as to the probable outcome of this matter, which has been referred to the New Jersey Department of Education.

NOTE 20. SUBSEQUENT EVENTS

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,502,000	\$	\$ 6,502,000	\$ 6,502,000	\$
Tuition From Individuals	15,000		15,000	49,015	34,015
Interest on Investments	2,500		2,500	681	(1,819)
Interest Earned on Capital Reserve				680	680
Miscellaneous				35,880	35,880
Total - Local Sources	6,519,500		6,519,500	6,588,256	68,756
State Sources:					
Equalization Aid	4,207,954		4,207,954	4,207,954	
Special Education Aid	463,534		463,534	463,534	
School Choice	55,600		55,600	55,600	
Transportation Aid	18,755		18,755	18,755	
Security Aid	30,030		30,030	30,030	
Extraordinary Aid	30,000		30,000	87,912	57,912
Non-Public Transportation				4,002	4,002
On-behalf Pension Contribution				330,505	330,505
On-behalf TPAF Post Retirement Medical Contribution				373,718	373,718
Reimbursement TPAF Social Security				394,208	394,208
Total - State Sources	4,805,873		4,805,873	5,966,218	1,160,345
Federal Sources:					
Medicaid Reimbursement	16,031		16,031	36,145	20,114
Total - Federal Sources	16,031		16,031	36,145	20,114
TOTAL REVENUES	\$ 11,341,404	\$	\$ 11,341,404	\$ 12,590,619	\$ 1,249,215
EXPENDITURES:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 279,790	\$ (14,546)	\$ 265,244	\$ 250,950	\$ 14,294
Grades 1-5	1,708,512	(24,822)	1,683,690	1,624,576	59,114
Grades 6-8	1,174,171	651	1,174,822	1,150,760	24,062
Home instruction:					
Salaries of Teachers	5,000	5,650	10,650	10,650	
Regular Programs - Undistributed - Instruction:					
Other Salaries for Instruction	13,500	27,439	40,939	39,640	1,299
Purchased Prof/Ed Services		8,750	8,750	8,750	
Purchased Technical Services		6,374	6,374	1,374	5,000
Other Purchased Services	55,172	32,389	87,561	78,793	8,768
General Supplies	187,480	43,569	231,049	221,120	9,929
Textbooks	10,000		10,000	3,778	6,222
Total Regular Programs	3,433,625	85,454	3,519,079	3,390,391	128,688

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Special Education					
Multiple Disabilities:					
Salaries of Teachers	\$ 53,028	\$	\$ 53,028	\$ 49,855	\$ 3,173
Other Salaries for Instruction	70,060	2,938	72,998	72,943	55
General Supplies	147		147	147	
Total Multiple Disabilities	123,235	2,938	126,173	122,945	3,228
Resource Room:					
Salaries of Teachers	824,331	(3,069)	821,262	810,336	10,926
Other Salaries for Instruction	116,576	(16,369)	100,207	97,379	2,828
General Supplies	2,123		2,123	2,123	
Total Resource Room	943,030	(19,438)	923,592	909,838	13,754
Preschool Disabilities - Part Time:					
Salaries of Teachers	108,171	(2,062)	106,109	98,523	7,586
Other Salaries for Instruction	71,840	2,062	73,902	73,374	528
General Supplies	942		942	939	3
Total Preschool Disabilities	180,953		180,953	172,836	8,117
TOTAL SPECIAL EDUCATION	1,247,218	(16,500)	1,230,718	1,205,619	25,099
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	147,530		147,530	145,760	1,770
General Supplies	514		514	432	82
Total Basic Skills/Remedial-Instruction	148,044		148,044	146,192	1,852
Bilingual Education-Instruction					
Salaries of Teachers	19,650		19,650	19,650	
Total Bilingual Education-Instruction	19,650		19,650	19,650	
School Sponsored Co-curricular Activities:					
Salaries	16,770	1,971	18,741	18,741	
Supplies and Materials	4,835	(559)	4,276	3,483	793
Total School Sponsored Co-curricular Activities	21,605	1,412	23,017	22,224	793
School Sponsored Athletics:					
Salaries	22,331		22,331	21,962	369
Supplies and Materials	3,551	160	3,711	1,575	2,136
Other Objects	4,400		4,400	3,864	536
Total School Sponsored Athletics	30,282	160	30,442	27,401	3,041
Total Instruction	4,900,424	70,526	4,970,950	4,811,477	159,473
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs Within the State - Regular	\$ 13,842	\$ 20,088	\$ 33,930	\$ 22,453	\$ 11,477
Tuition - Other LEAs Within the State - Special	40,020	(17,543)	22,477	17,435	5,042
Tuition - Co Spec Serv and Regional Day Schools	389,608		389,608	389,405	203
Tuition to Private Schools for the Disabled Within State	152,428	7,694	160,122	139,972	20,150
Total Undistributed Expenditures - Instruction	595,898	10,239	606,137	569,265	36,872

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENDITURES: (Continued)					
Health Services:					
Salaries	162,632	(4,179)	158,453	157,196	1,257
Purch Prof/ Tech Services	1,925	6,734	8,659	8,659	
Other Purchased Services	820	229	1,049	851	198
Supplies and Materials	7,734	(834)	6,900	6,897	3
Total Health Services	173,111	1,950	175,061	173,603	1,458
Other Support Services - Students - Extra Services					
Salaries	138,064	1,368	139,432	139,432	
Purchased Professional - Educational Services	48,800	924	49,724	43,259	6,465
Supplies and Materials	765	(137)	628	551	77
Total Extra Services	187,629	2,155	189,784	183,242	6,542
Other Support Services - Students - Related Services:					
Salaries	98,612	(1,368)	97,244	96,884	360
Purchased Prof Ed Services	56,068	2,180	58,248	35,905	22,343
Supplies and Materials	1,700		1,700	957	743
Total Related Services	156,380	812	157,192	133,746	23,446
Guidance:					
Salaries Other Professionals	147,150		147,150	147,150	
Other Purchased Professional and Technical Services	450	(271)	179		179
Supplies and Materials	1,094	1,333	2,427	1,577	850
Total Guidance	148,694	1,062	149,756	148,727	1,029
Child Study Team					
Salaries of Other Professional Staff	253,575	750	254,325	254,190	135
Salaries Secr. & Clerical Asst.	28,653		28,653	28,653	
Purchased Professional - Educational Services	26,500	(233)	26,267	16,356	9,911
Misc Purch Services	850	(200)	650	626	24
Supplies and Materials	3,550	200	3,750	2,355	1,395
Total Child Study Team	313,128	517	313,645	302,180	11,465
Improv. Instruction Services/Other Support					
Salary of Supervisor of Instruction	19,439		19,439	19,213	226
Salaries of Other Professional Staff	37,707	725	38,432	37,707	725
Purchased Professional and Educational Services	3,000	(2,573)	427		427
Other Purchased Services		375	375	375	
Supplies and Materials		1,473	1,473	1,469	4
Total Improvement of Instruction Services/Other Support	60,146		60,146	58,764	1,382
Educational Media Services/School Library:					
Salaries	93,345	(13,785)	79,560	60,956	18,604
Salaries of Technology Coordinators	70,673	1,625	72,298	72,298	
Purchased Professional and Technical Services	7,106	2,678	9,784	8,708	1,076
Supplies and Materials	9,217		9,217	8,552	665
Total Educational Media Services/School Library	180,341	(9,482)	170,859	150,514	20,345

**RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
CURRENT EXPENSES: (Continued)					
Undistributed Expenditures:					
Instructional Staff Training Services					
Salaries of Other Professional Staff	\$ 24,996	\$	\$ 24,996	\$ 23,968	\$ 1,028
Purchased Professional and Educational Services	4,920	(95)	4,825	3,411	1,414
Supplies and Materials		95	95	95	
Total Inst. Staff Training Services	29,916		29,916	27,474	2,442
Support Services General Administration:					
Salaries	206,992	(4,060)	202,932	197,228	5,704
Legal Services	30,000		30,000	21,822	8,178
Audit Fees	18,500	(905)	17,595	17,595	
Architectural/Engineering Services	5,000		5,000	1,100	3,900
Other Purchased Professional Services	4,800	(310)	4,490	3,900	590
Communication/Telephone	71,500	(5,390)	66,110	41,929	24,181
BOE Other Purchased Prof. Services	2,000	617	2,617	2,567	50
Other Purchased Services	74,942	(1,264)	73,678	71,043	2,635
General Supplies	1,536	5,821	7,357	7,344	13
Miscellaneous Expenditures	3,250	254	3,504	3,504	
BOE Membership Dues and Fees	7,750	(264)	7,486	6,191	1,295
Total Support Services General Administration	426,270	(5,501)	420,769	374,223	46,546
Support Services School Administration:					
Salaries of Principals/Assistant Principals	221,288	(2,060)	219,228	217,526	1,702
Salaries of Secretarial and Clerical Assistants	117,341	5,033	122,374	122,374	
Supplies and Materials	4,971	4,514	9,485	8,113	1,372
Other Objects	3,000	(536)	2,464	2,464	
Total Support Services School Administration	346,600	6,951	353,551	350,477	3,074
Central Services:					
Salaries	162,006		162,006	162,006	
Purchased Professional Services	5,654		5,654	5,654	
Purchased Technical Services	2,795		2,795	2,695	100
Miscellaneous Purchased Services	800	109	909	907	2
Supplies and Materials	5,500	(109)	5,391	4,867	524
Interest on Bond Anticipation Notes (BANs)	11,250		11,250	11,219	31
Miscellaneous Expenditures	1,000		1,000	998	2
Total Central Services	189,005		189,005	188,346	659
Admin. Info. Technology:					
Salaries	53,456	5,300	58,756	44,674	14,082
Other Purchased Services	5,615		5,615	375	5,240
Supplies and Materials	2,500	3,100	5,600	6	5,594
Total Admin. Info. Technology	61,571	8,400	69,971	45,055	24,916
Required Maintenance for School Facilities:					
Salaries	52,020	764	52,784	52,784	
Cleaning, Repair and Maintenance Services	15,000	6,417	21,417	18,161	3,256
General Supplies	13,897	2,461	16,358	16,012	346
Other Objects		2,923	2,923	2,923	
Total Required Maintenance for School Facilities	80,917	12,565	93,482	89,880	3,602

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
Other Operation and Maintenance of Plant-Custodial Services:					
Salaries	\$ 275,516	\$ (6,764)	\$ 268,752	\$ 258,640	\$ 10,112
Salaries of Non-Instructional Aides	63,070	6,000	69,070	45,797	23,273
Purchased Prof & Tech Services	2,500	(2,084)	416	416	
Cleaning, Repair and Maintenance Services	4,600	6,700	11,300	9,072	2,228
Other Purchased Property Services	47,300	(1,719)	45,581	42,293	3,288
Insurance	6,500		6,500	6,115	385
Travel		490	490	150	340
Miscellaneous Purchased Services	2,500	(1,500)	1,000	185	815
General Supplies	37,350	(5,077)	32,273	27,881	4,392
Energy (Natural Gas)	85,250	9,405	94,655	26,362	68,293
Energy (Electricity)	166,000	17,178	183,178	128,581	54,597
Total Other Operation and Maintenance of Plant - Custodial	690,586	22,629	713,215	545,492	167,723
Total Operation and Maintenance of Plant Services	771,503	35,194	806,697	635,372	171,325
Undistributed Expenditures - Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	13,550	(7,227)	6,323	6,323	
General Supplies	2,700	(323)	2,377	2,108	269
Total Care & Upkeep of Grounds	16,250	(7,550)	8,700	8,431	269
Undistributed Expenditures - Security:					
Cleaning, Repair and Maintenance Services	7,663	(2,000)	5,663	3,992	1,671
General Supplies	850	12,740	13,590	5,554	8,036
Total Security	8,513	10,740	19,253	9,546	9,707
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	5,000	1,017	6,017	5,264	753
Other Purchased Prof/Tech Services		975	975	975	
Contracted Services (Bet Home/School) - Vendor	90,000	(43,776)	46,224	33,915	12,309
Contracted Services (Not Bet Home/School) - Vendors	9,500	806	10,306	10,107	199
Contracted Services (Sp. Ed. Stds.) - Vendors	39,975	55,727	95,702	95,160	542
Contracted Services (Special Ed. Students) - ESCs & CTSAAs	170,100	(10,000)	160,100	97,100	63,000
Contracted Services - Aid in Lieu of Payments - Nonpublic	35,000	(1,017)	33,983	19,868	14,115
General Supplies		1,995	1,995	1,995	
Total Student Transportation Services	349,575	5,727	355,302	264,384	90,918
Unallocated Employee Benefits:					
Social Security Contributions	155,000	7,930	162,930	123,096	39,834
Other Retirement Contributions - PERS	160,000	(6,387)	153,613	121,965	31,648
Unemployment Compensation	73,000	(327)	72,673		72,673
Workers Compensation	86,252	6,387	92,639	91,638	1,001
Health Benefits	1,953,236	9,900	1,963,136	1,805,457	157,679
Tuition Reimbursement	20,000		20,000	12,000	8,000
Other Employee Benefits	61,770	327	62,097	25,701	36,396
Total Unallocated Employee Benefits	2,509,258	17,830	2,527,088	2,179,857	347,231
On-behalf TPAF Non-Contributory Insurance				330,505	(330,505)
On-behalf TPAF Post Retirement Medical Contribution				373,718	(373,718)
Reimbursement TPAF Social Security				394,208	(394,208)
Total Personal Services - Employee Benefits	2,509,258	17,830	2,527,088	3,278,288	(751,200)
Total Undistributed Expenditures	6,523,788	79,044	6,602,832	6,901,637	(298,805)
TOTAL EXPENDITURES - CURRENT EXPENSE	11,424,212	149,570	11,573,782	11,713,114	(139,332)

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Amendments/ Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
Increase in Capital Reserve	\$	\$	\$	\$	\$
Undistributed Expenditures:					
Support Services - Related & Extraordinary					
Grades 1-5	44,000	(39,410)	4,590	4,590	
Grades 6-8	21,000	(8,342)	12,658		12,658
Admin Info Tech		5,825	5,825	5,825	
Undistributed Expenditures - Required Maint for School Fac	23,000	63,397	86,397	86,274	123
Undistributed Expenditures - Care and Upkeep of Grounds	2,500	922	3,422	3,422	
Total Equipment	90,500	22,392	112,892	100,111	12,781
Facilities Acquisition - Construction Services:	190,000	(63,397)	126,603	27,000	27,000
Total Facilities Acquisition and Construction Services	190,000	(63,397)	126,603	27,000	99,603
TOTAL CAPITAL OUTLAY	280,500	(41,005)	239,495	127,111	112,384
TOTAL EXPENDITURES	11,704,712	108,565	11,813,277	11,840,225	(26,948)
Excess (Deficiency) of Revenues and Other Over (Under) Expenditures	(363,308)	(108,565)	(471,873)	750,394	1,222,267
Other Financing Sources (Uses):					
Operating Transfer out - Food Service Fund	(40,000)		(40,000)	(38,350)	1,650
Transfer to Charter School		(9,111)	(9,111)	(9,111)	
Total Other Financing Sources	(40,000)	(9,111)	(49,111)	(47,461)	1,650
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(403,308)	(117,676)	(520,984)	702,933	1,223,917
Fund Balances, July 1	2,036,503		2,036,503	2,036,503	
Fund Balances, June 30	\$ 1,633,195	\$ (117,676)	\$ 1,515,519	\$ 2,739,436	\$ 1,223,917
RECAPITULATION:					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 526,806	
Excess Surplus				471,045	
Maintenance Reserve				300,000	
Capital Reserve				869,469	
Capital Reserve - Designated for Subsequent Year's Expenditures				225,000	
Committed Fund Balance:					
Year-End Encumbrances				35,202	
Unassigned Fund Balance				311,914	
				2,739,436	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(452,903)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,286,533	

RUNNEMEDE BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$	\$ 14,450	\$ 14,450	\$ 5,246	\$ 9,204
Federal Sources	402,000	154,987	556,987	476,951	80,036
State Sources	115,000	44,371	159,371	90,403	68,968
Total Revenues	517,000	213,808	730,808	572,600	158,208
EXPENDITURES:					
Instruction					
Salaries of Teachers	68,000	(8,486)	59,514	59,514	
Salaries - Other Instructional	36,300	28,344	64,644	53,305	11,339
Purchased Professional - Technical Services	41,000	10,214	51,214	42,739	8,475
Other Purchased Services	140,000	54,492	194,492	194,492	
General Supplies	3,000	34,645	37,645	15,967	21,678
Textbooks	7,000	2,564	9,564	9,356	208
Other Objects		1,385	1,385	1,385	
Total Instruction	295,300	123,158	418,458	376,758	41,700
Support Services					
Other Salaries	20,400	(15,000)	5,400	5,400	
Employee Benefits	15,000	1,425	16,425	14,131	2,294
Purchased Professional & Technical Services - Other	70,500	43,906	114,406	89,329	25,077
Purchased Professional Edu Services		1,889	1,889	1,889	
Other Purchased Services	115,800	40,166	155,966	76,035	79,931
General Supplies		18,264	18,264	9,058	9,206
Total Support Services	221,700	90,650	312,350	195,842	116,508
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	517,000	213,808	730,808	572,600	158,208
Other Financing Sources (Uses)					
Total Outflows	517,000	213,808	730,808	572,600	158,208
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RUNNEMEDE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 12,590,619	[C-2] \$ 572,600
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		46,952
Prior Year		
Current Year		(22,688)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	410,498	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(452,903)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 12,548,214	[B-2] \$ 596,864
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 11,840,225	[C-2] \$ 572,600
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		24,264
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 11,840,225	[B-2] \$ 596,864

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

EXHIBIT E-1
(1)

RUNNEMEDE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2012)

	NCLB				I.D.E.A. - Part B							
	Title I Part A	Title II Part A		Title II D	Basic		Preschool		Race to	Sub-Total	Totals	
	2012-13	2012-13	2011-12	2010-11	2012-13	2011-12	2012-13	2011-12	The Top	Per E-1 (2)	2013	2012
REVENUES:												
Federal Sources	\$ 146,500	\$ 35,424	\$ 10,806	\$ 200	\$ 251,817	\$ 2,892	\$ 11,909	\$ 4,674	\$ 12,729	\$ -	\$ 476,951	\$ 494,431
State Sources										90,403	90,403	121,563
Other										5,246	5,246	9,946
Total Revenues	146,500	35,424	10,806	200	251,817	2,892	11,909	4,674	12,729	95,649	572,600	625,940
EXPENDITURES:												
Instruction:												
Salaries of Teachers	56,900					2,614					59,514	159,252
Salaries - Other Instructional	51,272							2,033			53,305	5,054
Purchased Prof/Tech Services					42,739						42,739	65,242
Other Purchased Services					181,509					12,983	194,492	130,000
General Supplies	7,508						3,259	674		4,526	15,967	45,137
Textbooks										9,356	9,356	6,960
Other Objects					737		648				1,385	815
Total Instruction	115,680				224,985	2,614	3,907	2,707		26,865	376,758	412,460
Support Services:												
Other Salaries			5,400								5,400	31,688
Personal Services-Employee Benefits	13,775					200		156			14,131	27,376
Purchased Prof/Tech Services	17,045	26,027	1,000	200	25,167		7,161		12,729		89,329	34,947
Purch. Prof. Ed. Services						78		1,811			1,889	
Other Purchased Services		8,595	569		846		841			65,184	76,035	115,921
Travel												1,262
General Supplies		802	3,837		819					3,600	9,058	2,286
Total Support Services	30,820	35,424	10,806	200	26,832	278	8,002	1,967	12,729	68,784	195,842	213,480
Facilities Acquisition/Construction:												
Construction Services												
Instructional Equipment												
Total Facilities Acquisition/Construction												
Total Expenditures	\$ 146,500	\$ 35,424	\$ 10,806	\$ 200	\$ 251,817	\$ 2,892	\$ 11,909	\$ 4,674	\$ 12,729	\$ 95,649	\$ 572,600	\$ 625,940

RUNNEMEDE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2012)

	Non-Public										
				Chapter 192		Chapter 193					
	Textbook Aid	Nursing Aid	Technology Aid	Compensatory Education	Transportation	Corrective Speech	Examination and Classification	Supplemental Instructional Aid	NJSBAIG Safety Grant	Box Tops For Education	Totals
REVENUES:											
Federal Sources											\$ -
State Sources	\$ 9,356	\$ 13,268	\$ 3,499	\$ 27,257	\$ 2,039	\$ 11,953	\$ 14,012	\$ 9,019			90,403
Other									\$ 4,504	\$ 742	5,246
Total Revenues	9,356	13,268	3,499	27,257	2,039	11,953	14,012	9,019	4,504	742	95,649
EXPENDITURES:											
Instruction:											
Salaries of Teachers											
Other Purchased Services		12,983									12,983
Purchased Prof/Ed. Services											
Purchased Prof/Tech Services											
General Supplies		285	3,499							742	4,526
Textbooks	9,356										9,356
Total Instruction	9,356	13,268	3,499							742	26,865
Support Services:											
Other Salaries											
Purchased Services											
Personal Services-Employee Benefits											
Other Purchased Services				27,257	2,039	11,953	14,012	9,019	904		65,184
Purchased Prof/Tech Services											
Purch. Prof. Ed. Services											
General Supplies									3,600		3,600
Total Support Services				27,257	2,039	11,953	14,012	9,019	4,504		68,784
Facilities Acquisition/Construction:											
Instructional Equipment											
Total Facilities Acquisition/Construction											
Total Expenditures	\$ 9,356	\$ 13,268	\$ 3,499	\$ 27,257	\$ 2,039	\$ 11,953	\$ 14,012	\$ 9,019	\$ 4,504	\$ 742	\$ 95,649

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EXHIBIT F-1

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>	
School Security System, Telecommunications, Roof and Emergency Generator Upgrades:					
Bingham School	6/3/10	\$ 420,311	\$ 400,840	\$	\$ 19,471
Downing School	6/3/10	318,625	318,625		
Mary E. Volz School	6/3/10	225,000	212,380		12,620
		<u>\$ 963,936</u>	<u>\$ 931,845</u>	<u>\$</u>	<u>\$ 32,091</u>

EXHIBIT F-2

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2013

Revenues and Other Financing

Sources

State Sources - SDA Grant

\$

Interest

Total Revenues

Expenditures and Other Financing Uses

Architectural Costs

Construction Services

Total Expenditures

Transfer Interest to General Fund

Excess (Deficiency) of Revenues Over (Under) Expenditures

Fund Balance - Beginning

32,091

Fund Balance - Ending

\$

32,091

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BINGHAM SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 224,392	\$	\$ 224,392	\$ 224,392
Transfer from Capital Outlay	116,600		116,600	116,600
Transfer from Capital Reserve Funds	79,319		79,319	79,319
Total Revenues	420,311		420,311	420,311
Expenditures and Other Financing Uses				
Architectural Costs	37,002		37,002	37,002
Construction Services	363,838		363,838	383,309
Total Expenditures	400,840		400,840	420,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 19,471	\$	\$ 19,471	\$

Additional Project Information:

Project Number	4590-020-09-1002
Grant Date/Letter of Notification	6/3/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$420,311
Additional Authorized Cost	\$0
Revised Authorized Cost	\$420,311
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
DOWNING SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 170,104	\$	\$ 170,104	\$ 170,104
Transfer from Capital Outlay	148,521		148,521	148,521
Total Revenues	318,625		318,625	318,625
Expenditures and Other Financing Uses				
Architectural Costs	27,751		27,751	81,870
Construction Services	290,874		290,874	236,755
Total Expenditures	318,625		318,625	318,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$

Additional Project Information:

Project Number	4590-020-09-1003
Grant Date/Letter of Notification	6/3/2010
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	\$318,625
Additional Authorized Cost	\$0
Revised Authorized Cost	\$318,625
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	11/12/2010
Revised Target Completion Date	11/1/2011

RUNNEMEDE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUE, EXPENDITURES
PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
MARY E. VOLZ SCHOOL SECURITY SYSTEM, TELECOMMUNICATIONS, ROOF
AND EMERGENCY GENERATOR UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 120,121	\$	\$ 120,121	\$ 120,121
Transfer from Capital Outlay	104,879		104,879	104,879
Transfer from Capital Reserve Funds				
Total Revenues	225,000		225,000	225,000
Expenditures and Other Financing Uses				
Architectural Costs	18,708		18,708	81,870
Construction Services	193,683		193,683	143,130
Total Expenditures	212,391		212,391	225,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 12,609	\$	\$ 12,609	\$
Additional project information:				
Project Number	4590-020-09-1004			
Grant Date/Letter of Notification	6/3/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$225,000			
Additional Authorized Cost	\$0			
Revised Authorized Cost	\$225,000			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	100%			
Original Target Completion Date	11/12/2010			
Revised Target Completion Date	11/1/2011			

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2013 AND 2012

	Food Service Enterprise Fund	Totals	
		2013	2012
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 45,100	\$ 45,100	\$ 15,288
Interfund Receivable			14,773
Accounts Receivable:			
State	299	299	77
Federal	7,792	7,792	4,064
Other	342	342	12
Inventory	238	238	29
Total Current Assets	<u>53,771</u>	<u>53,771</u>	<u>34,243</u>
Fixed Assets:			
Equipment	14,597	14,597	14,597
Accumulated Depreciation	(7,596)	(7,596)	(6,623)
Total Fixed Assets	<u>7,001</u>	<u>7,001</u>	<u>7,974</u>
Total Assets	<u>60,772</u>	<u>60,772</u>	<u>42,217</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	7,120	7,120	679
Interfund Payable	4,960	4,960	
Unearned Revenue	650	650	696
Total Current Liabilities	<u>12,730</u>	<u>12,730</u>	<u>1,375</u>
NET POSITION:			
Invested in Capital Assets Net of Related Debt	7,001	7,001	7,974
Unrestricted	41,041	41,041	32,868
Total Net Position	<u>\$ 48,042</u>	<u>\$ 48,042</u>	<u>\$ 40,842</u>

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2013 AND 2012

	<u>Food Service Enterprise Fund</u>	<u>Totals</u>	
		<u>2013</u>	<u>2012</u>
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 40,407	\$ 40,407	\$ 40,455
School Breakfast Program	1,166	1,166	1,412
Total Daily Sales - Reimbursable Programs	41,573	41,573	41,867
Daily Sales Non-Reimbursable Programs	31,822	31,822	32,062
Total Operating Revenue	73,395	73,395	73,929
OPERATING EXPENSES:			
Salaries	45,090	45,090	87,943
Employee Benefits	5,573	5,573	10,869
Supplies and Materials	11,721	11,721	10,212
Cost of Sales	146,684	146,684	108,317
Depreciation	973	973	973
Management Fee	10,756	10,756	10,200
Repairs and Other Expenses	17,547	17,547	17,231
Total Operating Expenses	238,344	238,344	245,745
Operating Income (Loss)	(164,949)	(164,949)	(171,816)
Non-Operating Revenues:			
State Sources:			
State School Lunch Program	2,524	2,524	2,351
Federal Sources:			
School Breakfast Program	21,503	21,503	18,874
National School Lunch Program	98,405	98,405	90,641
Food Distribution Program	11,363	11,363	13,030
Fixed Asset Adjustment			(1,094)
Interest	4	4	9
Total Non-Operating Revenues	133,799	133,799	123,811
Net Income before Operating Transfers	(31,150)	(31,150)	(48,005)
Operating Transfer In (Out)	38,350	38,350	48,060
Net Income	7,200	7,200	55
Net Position - July 1	40,842	40,842	40,787
Net Position - June 30	\$ 48,042	\$ 48,042	\$ 40,842

RUNNEMEDE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2013 AND 2012

	Food Service Enterprise Fund	Totals	
		2013	2012
Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (164,949)	\$ (164,949)	\$ (171,816)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:			
Depreciation	973	973	973
Food Distribution Program	11,363	11,363	13,030
Change in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(4,280)	(4,280)	(4,035)
(Increase)/Decrease in Interfund Receivable	14,773	14,773	8,045
(Increase)/Decrease in Inventory	(209)	(209)	90
Increase/(Decrease) in Accounts Payable	6,441	6,441	(30)
Increase/(Decrease) in Interfund Payable	4,960	4,960	
Increase/(Decrease) in Unearned Revenue	(46)	(46)	696
Net Cash Used by Operating Activities	(130,974)	(130,974)	(153,047)
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	122,432	122,432	111,866
Operating Transfer from General Fund	38,350	38,350	48,060
Net Cash Provided by Noncapital Financing Activities	160,782	160,782	159,926
Cash Flows from Capital & Related Financing Activities:			
Fixed Asset Adjustment			(1,094)
Purchase of Capital Asset			(3,003)
			(4,097)
Cash Flows from Investing Activities:			
Other Local Revenue	4	4	9
Net Decrease in Cash and Cash Equivalents	29,812	29,812	2,791
Cash and Cash Equivalents, July 1	15,288	15,288	12,497
Cash and Cash Equivalents, June 30	\$ 45,100	\$ 45,100	\$ 15,288

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments an/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the School District.

RUNNEMEDE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2012)

	<u>Expendable</u>		<u>Agency</u>		<u>Total</u>	
	<u>Trust</u>		<u>Student</u>		<u>2013</u>	<u>2012</u>
	<u>Unemployment</u>		<u>Activity</u>	<u>Payroll</u>		
	<u>Compensation</u>					
ASSETS:						
Cash and Cash Equivalents	\$ 73,157	\$ 18,445	\$ 93,111	\$ 184,713	\$ 178,040	
Due from General Fund			1,341	1,341	1,341	
Total Assets	<u>\$ 73,157</u>	<u>\$ 18,445</u>	<u>\$ 94,452</u>	<u>\$ 186,054</u>	<u>\$ 179,381</u>	
LIABILITIES AND NET POSITION:						
Liabilities:						
Payroll Deductions and Withholdings	\$	\$	\$ 94,452	\$ 94,452	\$ 67,529	
Accounts Payable	2,718			2,718		
Due to Student Groups		18,445		18,445	23,436	
Total Liabilities	<u>2,718</u>	<u>18,445</u>	<u>94,452</u>	<u>115,615</u>	<u>90,965</u>	
Net Position:						
Reserved:						
Unemployment Compensation	70,439			70,439	88,416	
	<u>70,439</u>			<u>70,439</u>	<u>88,416</u>	
Total Liabilities and Net Position	<u>\$ 73,157</u>	<u>\$ 18,445</u>	<u>\$ 94,452</u>	<u>\$ 186,054</u>	<u>\$ 179,381</u>	

RUNNEMEDE BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013 AND 2012

	Expendable Trust		
	Unemployment	Total	Total
	Funds	2013	2012
ADDITIONS:			
Employee Deductions	\$ 16,047	\$ 16,047	\$ 16,698
Interest on Investments	53	53	247
Total Additions	16,100	16,100	16,945
DEDUCTIONS:			
Unemployment Compensation			
Insurance Claims	34,077	34,077	32,291
Total Deductions	34,077	34,077	32,291
Change in Net Position	(17,977)	(17,977)	(15,346)
Net Position - Beginning of the Year	88,416	88,416	103,762
Net Position - End of the Year	\$ 70,439	\$ 70,439	\$ 88,416

RUNNEMEDE BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1,</u> <u>2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u> <u>6/30/13</u>	<u>Balance</u> <u>June 30,</u> <u>2013</u>
ELEMENTARY SCHOOLS					
Bingham School	\$ 6,893	\$ 8,248	\$ 8,862	\$	\$ 6,279
Downing School	6,877	7,863	8,844		5,896
Volz School	9,666	30,115	31,576	1,935	6,270
TOTAL ALL SCHOOLS	\$ 23,436	\$ 46,226	\$ 49,282	\$ 1,935	\$ 18,445

RUNNEMEDE BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>7/1/12</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u> <u>6/30/13</u>
ASSETS:							
Cash and Cash Equivalents	\$ 66,188	\$	6,329,381	\$	6,302,458	\$	93,111
Due from General Fund	1,341						1,341
	<u>67,529</u>		<u>6,329,381</u>		<u>6,302,458</u>		<u>94,452</u>
Total Assets	<u>\$ 67,529</u>	\$	<u>6,329,381</u>	\$	<u>6,302,458</u>	\$	<u>94,452</u>
LIABILITIES:							
Net Payroll	\$	\$	4,374,214	\$	4,374,214	\$	
Payroll Deductions and							
Withholdings	67,529		1,955,167		1,928,244		94,452
	<u>67,529</u>		<u>1,955,167</u>		<u>1,928,244</u>		<u>94,452</u>
Total Liabilities	<u>\$ 67,529</u>	\$	<u>6,329,381</u>	\$	<u>6,302,458</u>	\$	<u>94,452</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

STATISTICAL SECTION

RUNNEMEDE SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

		Fiscal Year Ending June 30,									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities											
Invested in Capital Assets, Net of Related Debt	\$	1,189,708	\$ 1,542,991	\$ 1,535,575	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,843,069	\$ 2,813,156	\$ 3,218,217	\$ 3,226,844
Restricted		262,399	536,372	806,315	937,143	1,454,639	1,575,712	1,572,660	831,010	1,630,994	2,424,411
Unrestricted		(443,177)	(546,324)	(519,489)	(404,700)	(733,844)	(814,701)	(1,322,095)	(565,718)	(449,818)	(525,195)
Total Governmental Activities Net Position	\$	1,008,930	\$ 1,533,039	\$ 1,822,401	\$ 1,829,882	\$ 2,160,241	\$ 2,471,435	\$ 2,093,634	\$ 3,078,448	\$ 4,399,393	\$ 5,126,060
Business-Type Activities											
Invested in Capital Assets, Net of Related Debt	\$	246	\$ 90	\$	\$	\$	\$	\$ 6,686	\$ 5,944	\$ 7,974	\$ 7,001
Restricted											
Unrestricted		28,367	28,157	31,766	25,066	15,167	14,764	5,637	34,843	32,868	41,041
Total Business-Type Activities Net Position	\$	28,613	\$ 28,247	\$ 31,766	\$ 25,066	\$ 15,167	\$ 14,764	\$ 12,323	\$ 40,787	\$ 40,842	\$ 48,042
District-Wide											
Invested in Capital Assets, Net of Related Debt	\$	1,189,954	\$ 1,543,081	\$ 1,535,575	\$ 1,297,439	\$ 1,439,446	\$ 1,710,424	\$ 1,849,755	\$ 2,819,100	\$ 3,226,191	\$ 3,233,845
Restricted		262,399	536,372	806,315	937,143	1,454,639	1,575,712	1,572,660	831,010	1,630,994	2,424,411
Unrestricted		(414,810)	(518,167)	(487,723)	(379,634)	(718,677)	(799,937)	(1,316,458)	(530,875)	(416,950)	(484,154)
Total District-Wide Net Position	\$	1,037,543	\$ 1,561,286	\$ 1,854,167	\$ 1,854,948	\$ 2,175,408	\$ 2,486,199	\$ 2,105,957	\$ 3,119,235	\$ 4,440,235	\$ 5,174,102

Source: CAFR Schedule A-1

RUNNEMEDE SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	For Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental Activities										
Instruction										
Regular	\$ 5,133,442	\$ 5,132,269	\$ 4,059,377	\$ 4,213,381	\$ 24,645	\$ 3,819,802	\$ 4,104,668	\$ 3,672,898	\$ 3,588,329	\$ 3770924
Special Education	802,292	920,145	709,146	854,996	760,881	942,011	885,624	978,108	1,117,505	1,205,619
Other Instruction	71,085	107,503	88,802	89,831	59,976	258,381	420,505	241,756	208,999	215,467
Support Services										
Tuition	622,129	519,087	702,360	573,951	441,169	661,784	778,809	943,713	605,307	569,265
Student and Instruction Related Serv.	1,215,519	1,366,821	1,067,298	978,878	1,166,284	1,122,611	1,260,296	1,285,066	1,329,739	1,380,450
General and Business Admin. Services	525,312	444,713	463,833	477,783	508,027	609,082	663,529	659,175	568,737	607,624
School Administrative Services	386,755	572,621	315,027	327,882	337,578	360,545	353,592	327,567	339,475	350,477
Plant Operations and Maintenance	1,079,374	927,703	880,176	906,891	932,759	791,949	834,331	652,554	708,219	653,349
Pupil Transportation	308,515	332,104	381,241	380,987	364,979	447,094	394,595	294,088	226,354	264,384
Unallocated Employee Benefits	225,304		2,355,814	2,849,491	2,930,512	2,515,630	3,233,570	2,469,749	3,012,067	3,234,907
Amortization of Debt Issue Costs						2,349	2,349	2,349	2,349	
Interest on Long-Term Debt	104,343	122,637	80,512	69,494	57,962	44,941	34,998	22,267	9,303	
Unallocated Depreciation	12,435	12,435	12,094	8,774	7,725	5,405	5,613	5,710	79,622	118,484
Total Governmental Activities Expenses	10,486,505	10,458,038	11,115,680	11,732,339	7,592,497	11,581,584	12,972,479	11,555,000	11,796,005	12,370,950
Business-Type Activities										
Food Service	120,687	140,657	135,977	146,534	157,688	230,333	228,624	206,088	245,745	238,344
Total Business-Type Activities Expense	120,687	140,657	135,977	146,534	157,688	230,333	228,624	206,088	245,745	238,344
Total District Expenses	\$ 10,607,192	\$ 10,598,695	\$ 11,251,657	\$ 11,878,873	\$ 7,750,185	\$ 11,811,917	\$ 13,201,103	\$ 11,761,088	\$ 12,041,750	\$ 12,609,294
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 1,421,704	\$ 1,595,032	\$ 1,700,358	\$ 2,043,957	\$ 2,104,015	\$ 1,251,335	\$ 1,554,471	\$ 1,406,306	\$ 1,480,710	\$ 1,695,295
Total Gov'n't Activities Program Rev.	1,421,704	1,595,032	1,700,358	2,043,957	2,104,015	1,251,335	1,554,471	1,406,306	1,480,710	1,695,295
Business-Type Activities										
Charges for Services										
Food Service	49,158	55,281	56,512	52,926	55,831	62,437	79,625	76,222	73,929	73,395
Operating Grants and Contributions	47,120	61,487	57,506	60,643	63,349	84,031	99,527	114,114	124,896	133,795
Total Bus.-Type Activities Prog. Rev.	96,278	116,768	114,018	113,569	119,180	146,468	179,152	190,336	198,825	207,190
Total District Program Revenues	\$ 1,517,982	\$ 1,711,800	\$ 1,814,376	\$ 2,157,526	\$ 2,223,195	\$ 1,397,803	\$ 1,733,623	\$ 1,596,642	\$ 1,679,535	\$ 1,902,485
Net (Expense)/Revenue										
Governmental Activities	\$ (9,064,801)	\$ (8,863,006)	\$ (9,415,322)	\$ (9,688,382)	\$ (5,488,482)	\$ (10,330,249)	\$ (11,418,008)	\$ (10,148,694)	\$ (10,315,295)	\$ (10,675,655)
Business-Type Activities	(24,409)	(23,889)	(21,959)	(32,965)	(38,508)	(83,865)	(49,472)	(15,752)	(46,920)	(31,154)
Total District-Wide Net Expense	\$ (9,089,210)	\$ (8,886,895)	\$ (9,437,281)	\$ (9,721,347)	\$ (5,526,990)	\$ (10,414,114)	\$ (11,467,480)	\$ (10,164,446)	\$ (10,362,215)	\$ (10,706,809)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied - General Purp.	\$ 5,315,036	\$ 5,445,213	\$ 5,740,196	\$ 5,980,814	\$ 6,045,047	\$ 5,932,936	\$ 4,366,578	\$ 4,751,585	\$ 5,071,086	\$ 4806705
Taxes Levied for Debt Service	180,898	184,132	180,748	183,353	176,266	169,178	174,383			
Unrestricted Grants and Contributions	3,607,271	3,746,807	3,765,728	3,801,965	3,992,069	4,547,600	6,443,842	6,314,821	6,300,716	6,551,576
Investment Earnings	25,431	34,486				17,356	5,229	1,517	687	1,361
Miscellaneous Income			66,004	89,772	82,666	48,033	97,137	109,775	67,604	90,141
Other Adjustments			(22,514)	(334,667)		9,610			244,207	(38,350)
Transfers	(22,302)	(23,523)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(9,111)
Total Governmental Activities	9,106,334	9,387,115	9,704,684	9,695,863	10,268,388	10,641,443	11,040,207	11,133,508	11,636,240	11,402,322
Business-Type Activities										
Investment Earnings				891	949	192	69	26	9	4
Other Adjustments									(1,094)	38,350
Transfers	22,302	23,523	25,478	25,374	27,660	83,270	46,962	44,190	48,060	
Total Business-Type Activities	22,302	23,523	25,478	26,265	28,609	83,462	47,031	44,216	46,975	38,354
Total District-Wide	\$ 9,128,636	\$ 9,410,638	\$ 9,730,162	\$ 9,722,128	\$ 10,296,997	\$ 10,724,905	\$ 11,087,238	\$ 11,177,724	\$ 11,683,215	\$ 11,440,676
Change in Net Position										
Governmental Activities	\$ 41,533	\$ 524,109	\$ 289,362	\$ 7,481	\$ 4,779,906	\$ 311,194	\$ (377,801)	\$ 984,814	\$ 1,320,945	\$ 726,667
Business-Type Activities	(2,107)	(366)	3,519	(6,700)	(9,899)	(403)	(2,441)	28,464	55	7,200
Total District-Wide	\$ 39,426	\$ 523,743	\$ 292,881	\$ 781	\$ 4,770,007	\$ 310,791	\$ (380,242)	\$ 1,013,278	\$ 1,321,000	\$ 733,867

Source: CAFR Schedule A-2

RUNNEMEDE SCHOOL DISTRICT
FUND BALANCES-GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	For Fiscal Year Ending June 30,									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund										
Reserved	\$ 145,487	\$ 292,716	\$ 353,315	\$ 583,828	\$ 849,650	\$ 385,401	\$ 499,187	\$ 365,821	\$ 1,383,411	\$ 2,427,522
Unreserved	243,033	317,249	468,562	452,191	679,881	1,228,391	503,918	347,400	242,594	(140,989)
Total General Fund	<u>\$ 388,520</u>	<u>\$ 609,965</u>	<u>\$ 821,877</u>	<u>\$ 1,036,019</u>	<u>\$ 1,529,531</u>	<u>\$ 1,613,792</u>	<u>\$ 1,003,105</u>	<u>\$ 713,221</u>	<u>\$ 1,626,005</u>	<u>\$ 2,286,533</u>
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$ 51,578	\$ 3,072	\$
Unreserved, Reported in:										
Special Revenue Fund	(4,261)	(4,260)	(4,260)	(4,261)	(9,161)					
Capital Projects Fund							421,509	24,583	29,019	32,091
Total All Other Governmental Funds	<u>\$ (4,261)</u>	<u>\$ (4,260)</u>	<u>\$ (4,260)</u>	<u>\$ (4,261)</u>	<u>\$ (9,161)</u>	<u>\$</u>	<u>\$ 421,509</u>	<u>\$ 76,161</u>	<u>\$ 32,091</u>	<u>\$ 32,091</u>

Source: CAFR Schedule B-1

RUNNEMEDE SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax Levy	\$ 5,495,934	\$ 5,629,345	\$ 5,920,944	\$ 6,164,167	\$ 6,221,313	\$ 6,092,953	\$ 6,095,432	\$ 6,157,891	\$ 6,551,796	\$ 6,502,000
Tuition	16,599	12,884	12,500			21,198	37,610	34,946	49,209	49,015
Interest Earnings						17,356	5,229	1,517	687	1,361
Miscellaneous	8,832	21,602	53,504	89,772	82,666	26,835	59,527	74,829	18,395	41,126
State Sources	4,620,363	4,916,278	5,052,611	5,409,396	5,709,778	5,463,350	5,042,164	5,824,349	5,656,260	6,014,785
Federal Sources	408,611	425,559	413,475	436,525	386,306	400,333	1,401,678	490,472	644,456	536,791
Other Sources										
Total Revenues	10,550,339	11,005,668	11,453,034	12,099,860	12,400,063	12,022,025	12,641,640	12,584,004	12,920,803	13,145,078
Expenditures										
Instruction										
Regular Instruction	3,654,464	3,765,302	3,987,083	4,140,588	4,085,426	3,733,316	4,014,841	3,581,539	3,577,043	3,770,924
Special Education Instruction	580,540	676,228	709,146	854,996	760,881	942,011	885,624	978,108	1,117,505	1,205,619
Other Instruction	55,609	89,859	88,802	89,831	59,976	258,381	420,505	241,756	208,999	215,467
Support Services										
Tuition	622,129	519,087	702,360	573,951	441,169	661,784	778,809	943,713	605,307	569,265
Student and Instruction Related Services	941,206	1,056,480	1,067,298	978,878	1,166,284	1,178,198	1,260,296	1,285,066	1,329,739	1,380,450
School Administrative Services	375,032	326,561	315,027	327,882	337,578	360,545	353,592	364,929	367,591	395,532
General Administrative Services	451,409	436,151	444,343	464,936	497,276	598,271	652,300	610,393	539,191	562,569
Plant Operations and Maintenance	946,403	785,439	860,431	900,468	931,892	786,544	828,717	646,844	613,830	653,349
Pupil Transportation	308,515	332,104	381,241	380,987	364,979	447,094	394,595	294,088	226,354	264,384
Business and Other Support Services	2,050,633	2,123,883	2,355,814	2,849,491	2,930,512	2,561,940	2,809,406	3,118,199	3,057,764	3,292,419
Capital Outlay	350,000	350,000	10,000		20,012	42,975	101,428	834,286	97,581	127,111
Debt Service										
Principal	190,000	205,000	210,000	225,000	225,000	225,000	245,000	250,000	250,000	
Interest and Other Charges	104,343	94,605	84,099	73,337	61,806	50,274	38,743	26,125	13,125	
Total Expenditures	10,630,283	10,760,699	11,215,644	11,860,345	11,882,791	11,846,333	12,783,856	13,175,046	12,004,029	12,437,089
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(79,944)	244,969	237,390	239,515	517,272	175,692	(142,216)	(591,042)	916,774	707,989
Other Financing Sources (Uses)										
Transfer to Charter School										(9,111)
Transfers, Net	(22,302)	(23,523)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(38,530)
Total Other Financing Sources (Uses)	(22,302)	(23,523)	(25,478)	(25,374)	(27,660)	(83,270)	(46,962)	(44,190)	(48,060)	(47,461)
Net Change in Fund Balances	\$ (102,246)	\$ 221,446	\$ 211,912	\$ 214,141	\$ 489,612	\$ 92,422	\$ (189,178)	\$ (635,232)	\$ 868,714	\$ 660,528
Debt Service as a Percentage of										
Noncapital Expenditures	2.9%	2.9%	2.6%	2.5%	2.4%	2.3%	2.2%	2.2%	2.2%	0.0%

Source: CAFR Schedule B-2

EXHIBIT J-5

RUNNEMEDE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Homeless</u> <u>Reimbursement</u>	<u>Transfer</u> <u>from</u> <u>Payroll</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	\$ 1,361	\$ 49,015	\$ 30,583		\$	\$ 5,297	\$ 86,256
2012	687	49,209	4,658			3,746	58,300
2011	1,517	34,946	52,352			15,941	104,756
2010	5,229	37,610	34,882			24,645	102,366
2009	17,356	21,198	12,722			4,113	55,389
2008	60,542	8,800	5,648		2,510	5,166	82,666
2007	60,677		991		28,104		89,772
2006	30,604	12,500	1,228	21,485		187	66,004
2005	16,969	12,884	4,633				34,486
2004	7,694	16,599	1,138				25,431

Source: District Records

RUNNEMEDE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual County Equalized Value
2013	\$ 4,788,500	\$ 381,511,400	\$ 73,710,800	\$ 19,241,100	\$ 27,118,900	\$ 506,370,700	\$ 1,242,127	\$ 507,612,827	\$ 1.294	\$ 516,812,082
2012	3,097,500	257,928,600	45,472,800	12,060,100	14,752,700	333,311,700	943,609	334,255,309	1.953	549,113,180
2011	2,856,100	257,348,900	45,272,700	12,060,100	17,052,700	334,590,500	933,735	335,524,235	1.895	591,488,940
2010	2,897,400	257,268,300	45,786,500	12,300,100	18,027,700	336,280,000	970,055	337,250,055	1.817	591,488,940
2009	2,979,200	257,477,700	45,139,100	12,300,100	18,297,700	336,193,800	945,824	337,139,624	1.808	588,376,307
2008	2,952,100	257,174,700	45,644,500	12,749,700	18,297,700	336,818,700	1,048,363	337,867,063	1.823	591,141,251
2007	3,211,700	255,372,400	45,678,400	13,049,700	18,297,700	335,609,900	1,121,421	336,731,321	1.839	534,990,012
2006	2,840,200	254,680,800	44,427,900	13,249,700	18,297,700	333,496,300	1,229,499	334,725,799	1.806	473,892,732
2005	2,930,400	253,501,100	44,497,800	13,249,700	18,297,700	332,476,700	1,575,993	334,052,693	1.729	406,546,202
2004	3,063,800	250,016,300	44,568,800	13,249,700	18,297,700	329,196,300	1,717,421	330,913,721	1.681	372,486,519

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

c Estimate

RUNNEMEDE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)

Year Ended June 30,	Runnemede School District			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Runnemede	Regional School	Camden County	Total
2013	\$ 1.294	\$ 0.000	\$ 1.294	\$ 0.998	\$ 0.566	\$ 0.802	\$ 5.502
2012	1.900	0.053	1.953	1.425	0.869	1.255	5.502
2011	1.895	0.000	1.895	1.497	0.835	1.124	5.351
2010	1.765	0.052	1.817	1.379	0.835	1.073	5.104
2009	1.758	0.050	1.808	1.347	0.838	1.054	5.047
2008	1.769	0.054	1.823	1.248	0.866	1.041	4.978
2007	1.785	0.054	1.839	1.109	0.876	1.046	4.870
2006	1.752	0.054	1.806	0.999	0.866	1.071	4.742
2005	1.674	0.055	1.729	0.935	0.884	0.943	4.491
2004	1.626	0.055	1.681	0.907	0.806	0.911	4.305

Source: District Records and Municipal Tax Collector

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a general fund tax levy . The levy when added to other components of the District's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

RUNNEMEDE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2013		2004	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Presidential Associates	\$ 10,205,100	2.02%	\$	
Hartford Plaza	10,108,400	2.00%		
The Meadows at Runnemedede	10,056,800	1.99%		
DPE Runnemedede Assoc. LLC	8,614,700	1.70%		
Runnemedede Lodging Investors	4,338,800	0.86%		
Sinatra Corporation	3,830,600	0.76%		
East Coast Enterprises	3,273,600	0.65%		
Runnemedede Associates	2,966,500	0.59%		
D&P Industrial	2,394,200	0.47%		
Oak Ridge Apartments	2,259,900	0.45%		
Total	\$ 58,048,600	11.46%	\$ -	0.00%

Source: District CAFR & Municipal Tax Assessor

EXHIBIT J-9

RUNNEMEDE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2013	\$ 6,502,000	\$ 6,374,873	100.00%	\$
2012	6,374,873	6,374,873	100.00%	
2011	6,157,981	6,157,981	100.00%	
2010	6,095,432	6,095,432	100.00%	
2009	6,092,953	6,092,953	100.00%	
2008	6,221,313	6,221,313	100.00%	
2007	6,164,167	6,164,167	100.00%	
2006	5,920,944	5,920,944	100.00%	
2005	5,629,345	5,629,345	100.00%	
2004	5,495,934	5,495,934	100.00%	

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, the amount voted upon or certified prior to the end of the school year.

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2013	\$	\$	\$	\$	\$		\$	
2012								
2011	250,000				250,000	0.07%	30	
2010	500,000				500,000	0.14%	60	
2009	745,000				745,000	0.21%	89	
2008	970,000				970,000	0.28%	115	
2007	1,195,000				1,195,000	0.35%	141	
2006	1,420,000				1,420,000	0.44%	168	
2005	1,630,000				1,630,000	0.53%	192	
2004	1,835,000				1,835,000	0.62%	217	

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$	\$	\$	\$	
2012					
2011	250,000		250,000	0.04%	30
2010	500,000		500,000	0.15%	59
2009	745,000		745,000	0.22%	89
2008	970,000		970,000	0.29%	115
2007	1,195,000		1,195,000	0.35%	141
2006	1,420,000		1,420,000	0.42%	168
2005	1,630,000		1,630,000	0.49%	192
2004	1,835,000		1,835,000	0.55%	217

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a District has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

RUNNEMEDE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Borough of Runnemede	\$ 5,628,500	100.00%	\$ 5,628,500
Camden County General Obligation Debt	197,386,393	1.39%	2,739,234
Black Horse Pike Regional High School District	21,372,000	9.45%	2,020,138
Subtotal, Overlapping Debt			10,387,872
Runnemede School District Direct Debt			-
Total Direct and Overlapping Debt			\$ 10,387,872

Sources: Camden County Board of Taxation

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Commercial. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

RUNNEMEDE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized Valuation Basis
	2012 \$ 525,065,690
	2011 551,219,934
	2010 579,493,366
	<u>[A] \$ 1,655,778,990</u>
Average Equalized Valuation of Taxable Property	<u>[A/3] \$ 551,926,330</u>
Debt Limit (3% of Average Equalization Value)	<u>[B] \$ 16,557,790 a</u>
Net Bonded School Debt	<u>[C]</u>
Legal Debt Margin	<u>[B-C] \$ 16,557,790</u>

Fiscal Year Ending June 30,

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 10,278,009	\$ 11,127,903	\$ 12,376,696	\$ 13,969,422	\$ 15,834,779	\$ 17,248,752	\$ 17,842,928	\$ 17,780,795	\$ 17,185,675	\$ 16,557,790
Total Net Debt Applicable to Limit	1,835,000	1,630,000	1,420,000	1,195,000	970,000	745,000	500,000	250,000		
Legal Debt Margin	<u>\$ 8,443,009</u>	<u>\$ 9,497,903</u>	<u>\$ 10,956,696</u>	<u>\$ 12,774,422</u>	<u>\$ 14,864,779</u>	<u>\$ 16,503,752</u>	<u>\$ 17,342,928</u>	<u>\$ 17,530,795</u>	<u>\$ 17,185,675</u>	<u>\$ 16,557,790</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18%	15%	11%	9%	6%	4%	3%	1%	0%	0%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

^a Limit set by NJSA 18A:24-19 for a K through 8 District; other % limits would be applicable for other Districts

RUNNEMEDE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year		Population ^a		Personal Income (thousands of dollars) ^b		Per Capita Personal Income ^c	Unemployment Rate ^d
2013	*	8,447	\$	378,765,166	\$	44,840	12.6%
2012		8,451		371,514,242		43,961	12.8%
2011		8,462		364,703,738		43,099	12.6%
2010		8,467		361,710,240		42,720	12.8%
2009		8,408		348,141,648		41,406	12.2%
2008		8,421		353,614,632		41,992	7.9%
2007		8,450		340,197,000		40,260	6.0%
2006		8,457		327,040,647		38,671	6.5%
2005		8,485		307,997,015		36,299	6.0%
2004		8,471		296,103,805		34,955	4.5%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

* Estimate

RUNNEMEDE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	<u>2013</u>		<u>2004</u>	
		Percentage of Total Employment		Percentage of Total Employment
<u>Employer</u>	<u>Employees</u>		<u>Employees</u>	<u>Employment</u>
Not Available				

Source:

RUNNEMEDE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	71	71	71	72	72	69	68	67	67	57
Special Education	12	12	12	12	12	12	12	20	20	28
Support Services:										
Tuition										
Student & Instruction Related Services	4	4	4	4	4	4	4	15	15	17.5
General Administrative Services	5	5	5	5	5	4	4	2	2	2
School Administrative Services	5	5	5	5	5	5	5	7	7	8
Business Administrative Services	2	2	2	2	2	3	3	3	3	3
Plant Operations and Maintenance	10	10	10	10	10	12	12	12	12	12.5
Food Service	1	1	1	1	1	1	1			4
Total	<u>110</u>	<u>110</u>	<u>110</u>	<u>111</u>	<u>111</u>	<u>110</u>	<u>109</u>	<u>126</u>	<u>126</u>	<u>132</u>

Source: District Personnel Records

RUNNEMEDE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures ^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff ^b</u>	<u>Pupil/Teacher Ratio</u>		<u>Average Daily Enrollment (ADE) ^c</u>	<u>Average Daily Attendance (ADA) ^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle</u>				
2013	853	\$ 12,309,978	\$ 14,431	4.5%	86	1:11	1:10	855.5	810.3	1.64%	94.72%
2012	862	11,906,448	13,813	-6.9%	82	1:08	1:12	841.7	801.7	1.29%	95.25%
2011	832	12,340,760	14,833	1.9%	87	1:11	1:07	831.0	779.0	0.37%	93.74%
2010	852	12,398,685	14,552	3.9%	80	1:13	1:08	827.9	777.5	1.16%	93.91%
2009	823	11,528,084	14,007	-2.8%	80	1:13	1:08	818.4	776.3	3.59%	94.86%
2008	803	11,575,973	14,416	0.5%	95	1:13	1:10	790.0	734.0	0.00%	92.91%
2007	806	11,562,008	14,345	5.8%	92	1:13	1:10	790.0	745.0	0.77%	94.30%
2006	805	10,911,545	13,555	11.8%	91	1:13	1:10	784.0	744.0	-3.69%	94.90%
2005	834	10,111,094	12,124	-1.9%	92	1:13	1:10	814.0	773.0	3.04%	94.96%
2004	808	9,985,940	12,359	7.8%	92	1:13	1:10	790.0	752.0	-1.13%	95.19%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

RUNNEMEDE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>District Building</u>										
<u>Elementary</u>										
Bingham Elementary (1929)										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	191	191	191	191	191	191	191	191	191	191
Enrollment	190	190	178	178	177	177	182	205	208	195
Downing Elementary (1930)										
Square Feet	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315
Capacity (Students)	162	162	162	162	162	162	162	162	162	162
Enrollment	126	143	155	155	157	157	178	168	170	177
<u>Middle School</u>										
Volz Middle School (1956)										
Square Feet	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268	70,268
Capacity (Students)	468	468	468	468	468	468	468	468	468	468
Enrollment	458	447	450	450	456	456	468	458	464	481
<u>Other</u>										
Garage										
Square Feet	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132	2,132

Number of Schools at June 30, 2013

 Elementary = 2

 Middle = 1

 High School = 0

 Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October District count.

RUNNEMEDE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Bingham School	25,050	\$ 22,500	\$ 16,720	\$ 14,318	\$ 26,359	\$ 218	\$ 4,785	\$ 54,178	\$ 13,462	\$ 13,299	\$ 13,718
Downing School	23,315	17,973	13,631	12,378	46,168	35	2,693	16,378	20,766	14,282	31,521
Volz School	70,268	49,407	42,974	36,999	29,531	14,527	115,151	66,243	46,426	104,418	251,490
Total School Facilities		<u>89,880</u>	<u>73,325</u>	<u>63,695</u>	<u>102,058</u>	<u>14,780</u>	<u>122,629</u>	<u>136,799</u>	<u>80,654</u>	<u>131,999</u>	<u>296,729</u>
Other Facilities	2,132										
Grand Total		<u>\$ 89,880</u>	<u>\$ 73,325</u>	<u>\$ 63,695</u>	<u>\$ 102,058</u>	<u>\$ 14,780</u>	<u>\$ 122,629</u>	<u>\$ 136,799</u>	<u>\$ 80,654</u>	<u>\$ 131,999</u>	<u>\$ 296,729</u>

RUNNEMEDE SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
NJ School Boards Association			
Insurance Group			
	Building and Contents (All Locations)		
	Blanket Real & Personal Property	\$ 400,000,000	\$ 5,000
	Blanket Extra Expense	50,000,000	5,000
	Equipment Breakdown	100,000,000	5,000
	Valuable Papers	10,000,000	5,000
	Pollutant Cleanup & Removal	250,000	1,000
	General Liability	6,000,000	1,000
	Automobile Liability	6,000,000	1,000
	Worker's Compensation		
	Professional & Clerical	6,351,143	
	Non-Professional & Driver	300,315	
	Employer	2,000,000	
	Crime Coverage	25,000	500
	Catastrophic Student Accident Coverage		
	Accident Medical Expense Benefit	5,000,000	
	Catastrophic Cash Benefit	1,000,000	
Western Surety Insurance			
	Surety Bonds		
	Treasurer	100,000	500
	Board Secretary	10,000	500

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

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October 29, 2013

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2013, which collectively comprise the Board of Education of the Runnemede School District's basic financial statements and have issued our report thereon dated October 29, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Runnemede Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Runnemede Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain immaterial matters involving internal control that we have reported to the Runnemede Board of Education in a separate report entitled, *Auditor's Management Report on Administrative Findings, Compliance and Performance* dated October 29, 2013 as defined and labeled Finding 2013-1.

Purpose of this Report

This report is intended solely for the information and use of the audit committee, management, the Runnemede Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

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October 29, 2013

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF AWARDS REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Runnemede School District
County of Camden, New Jersey 08078

Report on Compliance for Each Major Program

We have audited the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Runnemede School District's major federal and state programs for the year ended June 30, 2013. The Runnemede Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the Runnemede Board of Education's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Runnemede Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Runnemede Board of Education's compliance with those requirements.

Opinion on Each Major Program

In our opinion, the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Board of Education of the Runnemede School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Runnemede Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Runnemede Board of Education's internal control over compliance.

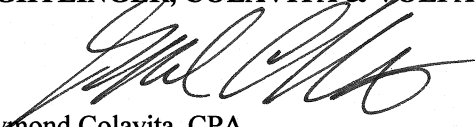
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. We did note one immaterial instance of deficiency in internal control over compliance that we have reported to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated October 29, 2013, labeled Finding 2013-1.

The Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned cost. We did not audit the Board of Education of the Runnemede School District, in the County of Camden, State of New Jersey, responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the audit committee, management, the Runnemede Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,
NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Schedule A
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2012	Cash Received	Budgetary Expenditures	Adjust- ment	Balance at June 30, 2013		
				From	To					(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education												
General Fund												
Medicaid Assistance Program	93.778	N/A	\$ 36,145	7/1/12	6/30/13		\$ 36,145	\$ (36,145)				
Medicaid Assistance Program	93.778	N/A	28,572	7/1/11	6/30/12	\$ (5,331)	5,331					
Total General Fund						(5,331)	41,476	(36,145)				
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
School Breakfast Program	10.553	N/A	21,503	7/1/12	6/30/13		19,822	(21,503)		\$ (1,681)		
School Breakfast Program	10.553	N/A	18,874	7/1/11	6/30/12	(1,055)	1,055					
Food Distribution Program	10.565	N/A	11,363	7/1/12	6/30/13		11,363	(11,363)				
National School Lunch Program	10.555	N/A	98,405	7/1/12	6/30/13		92,294	(98,405)		(6,111)		
National School Lunch Program	10.555	N/A	90,641	7/1/11	6/30/12	(3,009)	3,009					
Total Enterprise Fund						(4,064)	127,543	(131,271)		(7,792)		
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I	84.010A	NCLB0950-13	190,571	9/1/12	8/31/13		102,273	(146,500)		(44,227)		
Title I	84.010A	NCLB0950-12	196,070	9/1/11	8/31/12	(88,901)	90,488		\$ (1,587)			
Title I	84.010A	NCLB0950-09	96,061	9/1/08	8/31/09	826			(826)			
ARRA- Title I, Part A	84.389A	ARRA095011	43,330	9/1/10	8/31/11	(5,443)	5,556					\$ 113
Title II A	84.367A	NCLB0950-13	53,013	9/1/12	8/31/13		24,350	(35,424)		(11,074)		
Title II A	84.367A	NCLB0950-12	61,721	9/1/11	8/31/12	(27,809)	31,715	(10,806)	6,900			
Title II D	84.318X	NCLB0950-11	200	9/1/10	8/31/11		200	(200)				
Race to the Top 3	84.413A	RTTT 3-08950-13	12,729	9/1/11	11/31/15		12,729	(12,729)				
I.D.E.A. Part B, Pre-school	84.173	FT0950-13	12,091	9/1/12	8/31/13		9,489	(11,909)		(2,420)		
I.D.E.A. Part B, Pre-school	84.173	FT0950-12	12,189	9/1/11	8/31/12	(1,757)	6,431	(4,674)				
I.D.E.A. Part B, Pre-school	84.173	FT0950-11	16,709	9/1/10	8/31/11	(715)	715					
I.D.E.A. Part B Basic	84.027	FT0950-13	269,931	9/1/12	8/31/13		184,825	(251,817)		(66,992)		
I.D.E.A. Part B Basic	84.027	FT0950-12	262,520	9/1/11	8/31/12	(69,567)	72,459	(2,892)				
I.D.E.A. Part B Basic	84.027	FT0950-10	245,765	9/1/09	8/31/10	7,662			(7,662)			
I.D.E.A. Part B Basic	84.027	FT0950-09	236,372	9/1/08	8/31/09	(98)			98			
Total Special Revenue Fund						(185,802)	541,230	(476,951)	(3,077)	(124,713)		113
Total Federal Financial Assistance						\$ (195,197)	\$ 710,249	\$ (644,367)	\$ (3,077)	\$ (132,505)		\$ 113

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - Schedule B
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2012		Cash Received	Budgetary Expenditures	Repayment of Prior Year Balance	Balance at June 30, 2013		MEMO	
			From	To	(Accounts Receivable)	Due To Grantor				(Accounts Receivable)	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
Equalization Aid	12-495-034-5120-078	\$ 4,012,984	7/1/11	6/30/12	\$ (366,449)		\$ 366,449						
Equalization Aid	13-495-034-5120-078	4,207,954	7/1/12	6/30/13			3,808,909	\$ (4,207,954)		\$ (399,045)		* \$ (399,045)	\$ 4,207,954
Special Education Aid	12-495-034-5120-089	440,499	7/1/11	6/30/12	(44,049)		44,049						
Special Education Aid	13-495-034-5120-089	463,534	7/1/12	6/30/13			419,576	(463,534)		(43,958)		*	463,534
School Choice Aid	12-495-034-5120-068	55,600	7/1/11	6/30/12									
School Choice Aid	13-495-034-5120-068	55,600	7/1/12	6/30/13			50,327	(55,600)		(5,273)		*	55,600
Transportation Aid	13-495-034-5120-014	18,755	7/1/12	6/30/13			16,976	(18,755)		(1,779)		*	18,755
Security Aid	13-495-034-5120-084	30,030	7/1/12	6/30/13			27,182	(30,030)		(2,848)		*	30,030
Extraordinary Aid	12-100-034-5120-473	86,651	7/1/09	6/30/10	(86,651)		86,651						
Extraordinary Aid	13-100-034-5120-473	87,912	7/1/12	6/30/13				(87,912)		(87,912)		*	87,912
Non-public Transportation Aid	13-495-034-5120-014	4,002	7/1/12	6/30/13				(4,002)		(4,002)		*	4,002
Non-public Transportation Aid	12-495-034-5120-014	3,306	7/1/11	6/30/12	(3,306)		3,306						
On-behalf TPAF Pension Contribution	12-495-034-5095-007	330,505	7/1/12	6/30/13			330,505	(330,505)				*	330,505
On-behalf TPAF Post Retirement Contrib.	13-495-034-5095-001	373,718	7/1/12	6/30/13			373,718	(373,718)				*	373,718
Reimb. TPAF Social Security Contrib	13-495-034-5095-002	394,208	7/1/12	6/30/13			375,300	(394,208)		(18,908)		*	394,208
Reimb. TPAF Social Security Contrib	12-495-034-5095-002	387,981	7/1/11	6/30/12	(19,372)		19,372						
Total General Fund					(519,827)		5,922,320	(5,966,218)		(563,725)		(452,903)	5,966,218
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	09-100-034-5120-064	10,396	7/1/08	6/30/09		\$ 58			\$ (58)				
Textbook Aid	12-100-034-5120-064	8,505	7/1/11	6/30/12		1,545			(1,545)				
Textbook Aid	13-100-034-5120-064	9,564	7/1/12	6/30/13			9,564	(9,356)			\$ 208 *		9,356
Nursing Aid	12-100-034-5120-070	12,149	7/1/11	6/30/12		7			(7)				
Nursing Aid	13-100-034-5120-070	13,275	7/1/12	6/30/13			13,275	(13,268)			7 *		13,268
Technology Aid	13-100-034-5120-37370	3,530	7/1/12	6/30/13			3,530	(3,499)			31 *		3,499
Auxiliary Services:													
Compensatory Education Aid	12-100-034-5120-067	59,173	7/1/11	6/30/12		20,120			(20,120)				
Compensatory Education Aid	13-100-034-5120-067	62,706	7/1/12	6/30/13			62,706	(27,257)			35,449 *		27,257
Transportation Aid	12-100-034-5120-068	6,794	7/1/11	6/30/12		4,889			(4,889)				
Transportation Aid	13-100-034-5120-068	7,392	7/1/12	6/30/13			7,392	(2,039)			5,353 *		2,039
Homebound Instruction Aid	12-100-034-5120-067	12,446	7/1/11	6/30/12	(12,446)		12,446						
Handicapped Services:													
Supplemental Instruction Aid	12-100-034-5120-066	17,187	7/1/11	6/30/12		4,490			(4,490)				
Supplemental Instruction Aid	13-100-034-5120-066	17,346	7/1/12	6/30/13			17,346	(9,019)			8,327 *		9,019
Examination & Classification Aid	12-100-034-5120-066	21,736	7/1/11	6/30/12		3,702			(3,702)				
Examination & Classification Aid	13-100-034-5120-066	17,198	7/1/12	6/30/13			17,198	(14,012)			3,186 *		14,012
Corrective Speech	12-100-034-5120-066	27,092	7/1/11	6/30/12		8,766			(8,766)				
Corrective Speech	13-100-034-5120-066	28,358	7/1/12	6/30/13			28,358	(11,953)			16,405 *		11,953
Total Special Revenue Fund					(12,446)	43,577	171,815	(90,403)	(43,577)		68,966		90,403
Capital Projects Fund:													
NJSDA	4590-030-09-1002	224,392	7/1/09	Closing	(224,392)					(224,392)		*	224,392
NJSDA	4590-030-09-1003	170,104	7/1/09	Closing	(170,104)					(170,104)		*	170,104
NJSDA	4590-030-09-1004	120,121	7/1/09	Closing	(120,121)		53,625			(66,496)		*	120,121
					(514,617)		53,625			(460,992)			514,617
Debt Service Fund:													
Debt Service Aid-Type II	11-495-034-5120-017		7/1/11	6/30/12									
State Department of Agriculture:													
Enterprise Fund:													
School Lunch Prog.	12-100-010-3350-023	2,524	7/1/12	6/30/13			2,225	(2,524)		(299)		*	2,524
School Lunch Prog.	13-100-010-3350-023	2,351	7/1/11	6/30/12	(77)		77						
Total Enterprise Fund					(77)		2,302	(2,524)		(299)			2,524
Total State Financial Assistance					\$ (1,046,967)	\$ 43,577	\$ 6,150,062	\$ (6,059,145)	\$ (43,577)	\$ (1,025,016)	\$ 68,966	\$ (452,903)	\$ 6,573,762

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2013

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Runnemedede School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$42,405 for the general fund and \$24,264 for the special revenue fund. See Note A (Notes to Required Supplemental Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

RUNNEMEDE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE

JUNE 30, 2013

(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 5,923,813	\$ 5,923,813
Food Service Fund	131,271	2,524	133,795
Total Awards & Financial Assistance	\$ <u>131,271</u>	\$ <u>5,926,337</u>	\$ <u>6,057,608</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Runnemedede School District had no outstanding loans as of June 30, 2013.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 8: ADJUSTMENTS

Schedule A reflects adjustments for prior year purchase orders and other adjustments. Schedule B reflects adjustments and repayments to the State of New Jersey for Non Public Aid based on refunds received from the outside consulting vendor.

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes _____ X no

2) Significant deficiencies identified? _____ yes _____ X none reported

Noncompliance material to basic financial statements noted? _____ yes _____ X no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified? _____ yes _____ X no

2) Significant deficiencies identified? _____ yes _____ X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ X yes _____ no

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA-Basic
84.173	IDEA Preschool
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? _____ X yes _____ no

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(continued)

Section II - Financial Statement Findings

Finding: NONE

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

RUNNEMEDE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

FEDERAL AWARDS

Finding: 2013-1

Information on the federal program: Federal CFDA No. 84.010A

Criteria or specific requirement: The N.J. Department of Education, as well as NCLB requirements, stipulate that allowable expenditures be properly recorded under the Grant or budget line items and accurately reflected on the appropriate periodic reports.

Condition: Expenditures under Title I were not accurately reported in the various records and as a result, adjustments were required to be reflected in the audit.

Questioned Costs: NONE

Context: Allocation of certain expenditures were not properly recorded in the records or accurately reported on the various reports to the Board of Education and N.J. Department of Education.

Effect: Adjustments were required to be made in the business office and reflected in the audit.

Cause: There was a transition of key personnel in the business office.

Recommendation: Procedures to record revenues and expenditures in various Federal programs, including Title I, should be reviewed and updated, in order to ensure that amounts recorded are in agreement with amounts on final program reports.

Management's response: Management is aware of the necessary procedures to be updated and followed.

STATE AWARDS

Findings: NONE

RUNNEMEDE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a) (b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.